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BRIEFS

NATIONAL DAY GREETINGS TO ANGOLA--Vientiane, 11 November (KPL)--Phoumi Vongvichit, acting president of the Lao PDR, today dispatched a telegram of the greetings to Jose Eduardo Dos Santos, president of the P.R. of Angola on the occasion of the 11th anniversary of the proclamation of independence of the People's Republic of Angola. In his message, P. Vongvichit expressed his conviction that under the clearsighted leadership of the Popular Movement for the Liberation of Angola-Workers Party headed by J.E. Dos Santos, the heroic people of Angola will score greater successes in the struggle against the intervention and aggression by the South African racists backed by the imperialists, for national safeguarding and socialist building in Angola. "May the existing relations of friendship, and combative solidarity between our two countries be further consolidated and developed in the interests of peace and socialism in the world," concluded the message. On the occasion, Phoun Sipaseut, vice-chairman of the Council of Ministers, minister for Foreign Affairs of the Lao PDR, has sent his greetings to his Angolan counterpart, Afonso Van Dunem M'Binda. [Text] [Vientiane KPL in English 0920 GMT 4 Nov 86 OW] /12858

SALI VONGKHAMSAO ATTENDS SOVIET PHOTO SHOW--On the morning of 6 November, the Ministry of Culture and the Soviet Embassy in Laos jointly organized a photo exhibition at the Museum of Revolutionary Traditions in the capital of Vientiane to celebrate the anniversary of the Great October Socialist Revolution, to hail the success of the 27th CPSU Congress, and to welcome the Fourth LPRP Congress. Attending the opening ceremony as guests were Salit Vongkhamsao, secretary of the party Central Committee, vice chairman of the Council of Ministers, and chairman of the State Planning Committee; many ministers and deputy ministers; and a large number of high-ranking cadres. Yuriy Yakovlevich, USSR ambassador extraordinary and plenipotentiary to Laos, and diplomats of various countries in Laos also attended the exhibition. Prior to the opening of the photo exhibition held under the title "The Party and People Are One," Somsi Desakhamphou, deputy minister of culture, delivered a speech. [Excerpt] [Vientiane Domestic Service in Lao 1200 GMT 6 Nov 86 BK] /12858

FOREIGN MINISTER MEETS SWEDISH ENVOY--Vientiane, 10 November (KPL)--Phoun Sipaseut, vice chairman of the Council of Ministers and minister for foreign affairs, received here on 8 November Swedish Ambassador Nils-Olov Hasslev at the end of his three-year term of office here. During the cordial talks, Phoun Sipaseut congratulated the Swedish ambassador on the accomplishment of his mission here. The two sides expressed satisfaction over the growing relations of friendship and all-around cooperation between the governments and peoples of the two countries. Phoun Sipaseut wished the Swedish ambassador good journey home and success in his new mission. [Text] [Vientiane KPL in English 0910 GMT 10 Nov 86 BK] /12858

SWEDISH ENVOY BIDS FAREWELL--Vientiane, 11 November (KPL)--Phoumi Vongvichit, acting president of the Lao PDR, vice-chairman of the Council of Ministers, received here on 8 November Swedish Ambassador Nils-Olov Hasslev at the end of his three-year term of office here. During the cordial reception, Acting-President Phoumi Vongvichit congratulated the Swedish ambassador on the accomplishment of his mission here, thereby contributing to the development of all-around cooperation between the governments and peoples of the two countries. He welcomed the foreign policy of the Swedish Government, especially its efforts for peace. They discussed international and regional issues of mutual concern. [Text] [Vientiane KPL in English 0923 GMT 11 Nov 86 OW] /12858

UN PEACE RUN TEAM RECEIVED--Vientiane, 14 November (KPL)--Phoumi Vongvichit, acting-president of the republic and vice-chairman of the Council of Ministers, yesterday received here the torch of peace from the "first Earth Run" team of the UN. On the occasion, Laurence Oslund, head of the "first Earth Run" team, briefed the Lao acting-president on the aim and activities of the "first Earth Run". Phoumi Vongvichit welcomed the team. He hailed the struggle for world peace waged by the UNO in the past 41 years. He also voiced full support for the Soviet peace initiatives for arms reduction, a ban on nuclear test and the elimination of nuclear weapons, especially the Soviet initiative dated 15 January 1986 for complete elimination of nuclear weapons by the year 2000, the Vladivostok statement for peace and for making Asia and the Pacific a nuclear-free zone. The acting-president referred to M. Gorbachev's speech on international security at the 28th CPSU Congress. P. Vongvichit urged the U.S. and other Western countries, which have always professed their love of peace and humanitarianism, to sincerely follow the good deeds of the Soviet Union. He wished the team success in its activities during its stay here. The Swedish led "first Earth Run" team arrived here yesterday. Upon its arrival, it organized a "peace run" together with thousands of youth through the main thoroughfares of the capital to the Presidential Palace. [Text] [Vientiane KPL in English 0956 GMT 14 Nov 86 BK] /12858

CSO: 4200/150

CHINESE NEWSPAPERS STRUGGLING TO SURVIVE

Penang THE STAR in English 29 Oct 86 pp 14-15

[Article by Loo Yok Soi]

[Text]

MORE than 600 Chinese newspaper workers have lost their jobs in the last one year. Some 250 are working without salaries.

Another 500 suffer delays in getting their pay since late last year. Some 700 jobs in two Chinese dailies could have been lost if not for a timely injection of fresh funds.

The Chinese language newspapers are going through very difficult times. The papers have combined daily sales of about half a million copies.

But six out of the eight Chinese newspapers in Peninsular Malaysia are showing symptoms of distress.

Losses are running into millions in some cases. The two exceptions — the *Nanyang Siang Pau* and the Penang-based *Kwong Wah Yit Poh*.

Problems of the ailing industry first came to public view when, in July last year, controlling interest in the debt-ridden *Shin Min Daily News* was sold to the New Straits Times Group.

The shares, with a par value of $1, were sold for 60 cents each.

Four months later, deepening financial crisis forced *China Press* out of business after a rescue operation, led by Chinese educationist Lim Fong Seng failed to put the 40-year-old paper back on its feet.

The *China Press* ceased operation last November after its circulation dropped below 10,000. The shutdown caused a loss of 300 jobs.

It is understood that the rescue attempt had cost Datuk Alex Lee's family firm about $3 million. His father, Sir Henry Tun H.S. Lee, was chairman of the paper.

Industry source said that Life Publishers, which produces the twice weekly tabloid, *New Life Post*, later bought over *China Press* from Datuk Lee's firm for a song.

China Press hit the street again in May this year. However, only a handful of the 300 retrenched workers were re-employed by the new company.

Two months after *China Press* was revived, another cash strapped Chinese newspaper, *Kin Kwok Daily News*, went down.

About 250 workers of *Kin Kwok*, whose salaries were already in arrears, decided to carry on working without pay, when the deposit-taking co-operative, Kosatu, which owns the paper had its assets frozen by Bank Negara in July.

Kin Kwok, set up in 1940 as a regional paper in Ipoh, was turned into a national daily when a Kuala Lumpur businessman Fong See Chew bought over the company and moved its headquarters to the Federal capital in 1975.

Ownership of the company changed hand again in 1980, when it was acquired by Gerakan Belia Bersatu (GBB) president Tee Ann Chuan through Kosatu, the co-operative limb of the GBB.

Kosatu, one of the country's largest co-operatives, remains in limbo and Mr Tee has been charged in court for misappropriation of funds belonging to the co-operative.

An industry source said that *Kin Kwok* was heavily subsidised by Kosatu since 1930 and is indebted to the co-operative to the tune of $19 million when Kosatu's assets were frozen.

What is going to happen next in *Kin Kwok* is anybody's guess.

With the consent of the authorities, the 250 employees of the company volunteered to produce the paper without salaries. They have been operating on a day-to-day basis since July, surviving on the donations from members of the public.

Early this month, the Chinese Press crisis claimed its third victim, when the 47-year-old *Sing Pin Jih Poo* was placed under receivership with debts amounting about $7 million.

There had been much concern in the Chinese community over the fall of *Sing Pin* and lots of talk about rescuing the paper in the name of preserving Chinese culture.

Nothing has materialised so far to give its 323 workers hope of re-employment. *Sing Pin's* sister paper, the *Sin Chew Jit Poh*, which is the second largest Chinese language newspaper after the *Nanyang Siang Pau*, seems relatively better off.

But the 57-year-old paper, which has a circulation of 124,000, has sometimes delayed paying its 500 workers since late last year.

Sing Pin and *Sin Chew*, which were previously owned by the Aw Par Brothers of Singapore were sold to Datuk Lim Kheng Kim, a Penang-based property development tycoon, in 1982.

Mr C.C. Liew, editor-in-chief of the *Sin Chew*, agreed that the company had some financial problems but was quick to point out that "the management of the company is sound, its daily operation is absolutely normal and everyone in the company is doing his or her work properly."

"We are doing good sales, the paper is earning a good amount of advertisement income.

"I am afraid I am unable to tell you how this company has developed cash-flow problems," he added.

The managing director of the company, Madam Lim Gook Lan, was not available for comment.

Tong Boo, which was a money spinner for the Datuk Chew Swee Phiew family since the late 1960s, has also been running losses after the company was sold to the MCA in 1982.

The total debts of the paper, which has a circulation of over 30,000 and a workforce of almost 400, is estimated at $7 million.

When most of the Chinese newspapers are experiencing financial difficulties, Life Publishers surprised the market early this year when it came out with the country's first Chinese evening paper, the *Evening Express*.

The company took another bold move when it revived the *China Press* and produced the daily with full colour pictures and a bold new look.

But industry observers say that an evening paper has many constraints in enlarging its circulation. In addition, the high cost of producing a newspaper with full colour pictures could make operational costs prohibitive.

However, people in Life Publishers think otherwise.

"Although we may be lavish in our colour, nevertheless, we are using only one set of workers to produce two papers and that off sets our production cost considerably," said a spokesman of the company.

He added that the *China Press* in full colours was fetching "fantastic" good circulation.

"We are very happy with the circulation of *China Press*, though the *Evening Express* is picking up a little bit slowly," he added.

Industry sources estimate the circulation of *China Press* at 30,000 and the *Evening Express* 12,000.

"At the rate the two papers are going, they still have a long way to go before they can expect profit, especially at the present moment when times are so bad," said a source.

Mr Harry Toh, managing director of *Nanyang Siang Pau*, said that most of the Chinese newspapers are not doing so well because readership had stagnated. Beyond that, there were also the problems of dwindling advertisement revenue and poor management.

"Basically, the main problem with the industry today is that too many newspapers are chasing after too small a source of revenue," he added.

He said that the total amount spent on media advertising in the first eight months of this year amounted to $116 million. But only $31 million, or less than 30 per cent, went to the Chinese Press.

An industry source said that out of this amount, the lion's share of 57 per cent went to *Nanyang Siang Pau*, with another 20 per cent going to *Sin Chew*.

The other six were left to scramble for the remaining $7.1 million, which works out to less than $1.2 million each.

Mr Toh said that although the *Nanyang Siang Pau* got the bulk of the money, the other smaller papers should still be able to survive provided that they knew how to cut costs and increase productivity.

The Chinese newspapers could co-operate to cut cost, but this was not being done, he said.

"For example, scrapping night sales, sharing of outstation transportation are some of the ways we can co-operate to reduce expenditure," he said.

But co-operation seems to be easier to talk about than achieve.

A joint proposal was put up by *Sin Chew* and *Tong Bau* that all Chinese papers do away with the colour supplement in their Sunday editions to save costs. But this was rejected by *Nanyang Siang Pau*.

Mr Toh said that the matter involved the value-for-money principle. The readers paid more for the Sunday edition and a decision of that nature could not be taken lightly.

"The night sales are a costly affair to all newspapers.

"Why not let us stop this immediately to save money. Sharing of outstation transportation obviously saves our money.

"If we can't co-operate on these simple matters, why talk of more difficult co-operation?" he asked.

/12828
CSO: 4200/192

PAPER FEARS INTRODUCTION OF SECOND 'JENKINS BILL'

BK180109 Bangkok BANGKOK POST in English 18 Nov 86 p 4

[Editorial: "A Long Overdue Chance for a Chat"]

[Text] Ever since the Democratic Party recaptured the majority of seats in the U.S. Senate and retained absolute control of the House of Representatives, the news out of Washington has taken on gloomy overtones. The Democratic-controlled Congress has already made clear its anti-free trade attitude and parochialism long before its first session officially begins in January. Under these circumstances the resurrection of many protectionist ghosts was inevitable. The first of these is the introduction of another Jenkins Bill which is designed to restrict the import of foreign textiles into the United States.

The bill was passed by both Houses of Congress last year, but died after an attempt to override a presidential veto was defeated by a razor-thin margin of only 8 votes. Its author Edward Jenkins must be very confident of victory next time around or he would hardly have come to Thailand and other affected textile-exporting countries this week with the visiting congressional delegation.

The pro-Jenkins forces have never abandoned their protectionist struggle and this has been obvious all along. The only question has been when they would make their next move. This much has been expected all along in Thailand. But we have to ask what we have done in the intervening period of respite, no matter how brief, when there was still time? Apparently the Thai authorities had their hands full with the Farm Act and therefore not much could be done in respect to the textile issue. A Thai trade consultant in Washington could only recommend that as Mr Jenkins is both intelligent and fair-minded, Thai officials "communicate with him to broaden his perspective and soften his stand, to make him understand Thailand's economic problems and see Thailand's willingness to work with the U.S. on the textile issue."

No one would doubt that this was a good and well-intentioned recommendation, but it could also be viewed as a case of too little, too late. One pertinent question is whether Mr Jenkins has really come here to appreciate Thailand's problems at "first hand." That might not even be the objective of his visit because his mind might already be irrevocably made up. There is little time left to talk and once again Thailand could be ending up in a situation where it is "locking the stable door after the horse has bolted." In this particular case the Thai representation in Washington cannot be entirely without blame as it could have done a lot more, if not to ensure that the Thai textile industry would be spared, then at least to arrange for a better early warning system.

At the moment there is little that can be done except for the Foreign Ministry to present our point of view as best it can to the American legislators. It has also become apparent that the country must revolutionise its thinking in terms of public relations campaigns both at home and abroad so that we are better equipped to deal with future problems the instant that danger signs are noted.

/12858
CSO: 4200/150

EDITORIAL VIEWS ARGUMENTS ON U.S. TRADE TALKS

BK170101 Bangkok THE NATION in English 17 Nov 86 p 4

[Editorial: "Opportunity To Foster Understanding"]

[Text] The House Ways and Means Committee Chairman Dan Rostenkowski and his team will arrive in Bangkok tomorrow for talks with Thai officials. The U.S. congressional team will find that public sentiments against alleged U.S. trade protectionism and unfair trade practices are running high here. This is a crucial juncture in the Thai-U.S. economic ties. It is a time to re-establish mutual understanding and trust.

First and foremost, the U.S. Congress, and Rostenkowski's team in particular, should see that Thailand cannot be treated in the same way as Japan, South Korea, Taiwan and Hong Kong with which the U.S. has far more serious trade problems. Thailand's exports of U.S.$1.5 billion to the U.S. last year certainly had little to do with the U.S. trade deficit of $148.5 billion.

Far from being a Newly-Industrialized Country (NIC), Thailand is still a predominantly agricultural country with over 70 percent of its population still making a living from agriculture. Thailand has placed a heavy reliance on the export of a few commodities such as rice, maize, tapioca and sugar. Thus, when the U.S. subsidized American rice exports and dumped sugar in China, Thailand was seriously hurt. Millions of poor Thai farmers suffered when Thailand could not sell rice and sugar abroad.

Thailand has been trying to diversify its exports by promoting manufacturing industries. Thai exporters of manufactures have found the U.S. a lucrative market. Thai exports of canned tuna, canned pineapple, artificial flowers and garments go mostly to the U.S. alone. When the U.S. began to tighten control of manufacturing imports, these Thai exporters were hit hard. They began to complain and soon a chorus of anti-U.S. criticisms followed.

Thailand could only complain because, unlike Japan and NIC's which know how to lobby in Congress, Thailand is just learning to appreciate the complexity of the Congress and the working of the American political system.

Democratic leaders in Congress have declared that they will give trade a high priority. If they could ease the U.S. trade deficits and external debts, the position of Democratic candidates in the presidential election in 1988 will be greatly enhanced. But there is a danger that the Democrats may opt for short-term solutions to the U.S. economic problems. They may try to restrict imports as a solution to the U.S. huge trade deficits which may exceed $170 billion this year.

Under such a situation, Thailand will suffer a serious consequence for something which is not of its doing. This is what we should explain to Rostenkowski and his team.

Thailand, in essence, is a free trade country. It has joined the General Agreement on Tariffs and Trade (GATT). It has welcomed foreign investment. The total U.S. investment in Thailand is about $4 billion, whereas Thai investment in the U.S. is negligibly small. U.S. investment and technology have played an important part in industrial development here.

However, Thailand is still a weak dependent economy. Naturally, it has to provide some protection for its emerging manufacturing industries, many of which are Thai-U.S. joint ventures. High duties are not only aimed at deterring foreign competition but at raising the much needed revenues. American businesses here have never faced discrimination from the Thai Government.

Thailand is admittedly slow in responding to the U.S. demand to increase protection to intellectual property rights. Yet, Thailand is a party to the Berne Convention and has consistently provided protection to copyrights on literature, dramatic arts, fine arts, music, aduio-visual works, and firms [as published]. Thailand is also revising its laws on trademarks. The fact that Thailand does not yet recognize pharmaceutical patents should not make Thailand a "villain." Most other less-developed countries (LDC's) do not either because of the need to provide their poor citizens with low-cost medicines.

Thailand likes to remind the U.S. that Thailand is doing the U.S a great favour in providing temporary shelter to a great deal of Indochinese and in combatting narcotics production. Thailand also likes to bring up the tired argument that Thailand deserved a special treatment from the U.S. because Thailand serves the U.S. interest in containing Vietnamese aggression in Kampuchea. The U.S., on the other hand, can respond by citing its huge defence spending which directly or indirectly is a security benefit to Thailand.

We think both sides must avoid the pitfall of arguing who is benfiting from whom. The problem confronting the two countries is a rapid deterioration of free trade. The question here is how to reverse this unhealthy trend.

We hope Rostenkowski and his team will understand Thailand's predicament of being an exporter of bulk commodities and a dependency on the U.S. market for the Thailand manufacturing exports. For Thailand's part, it must take immediate action to diversify markets for its industrial exports. We can no longer count on the U.S. to be generous. Neither can we live by heavy reliance on the export of a few traditional commodities.

/12858
CSO: 4200/150

PRC AMBASSADOR MEETS COMMERCE MINISTER ON RICE PURCHASE

BK240919 Bangkok ZHONG HUA RIBAO in Chinese 22 Nov 86 p 4

[Text] PRC Ambassador Zhang Dewei paid a courtesy call on Commerce Minister Montri Phongphanit at the Commerce Ministry yesterday morning. He told the Thai commerce minister that the Chinese Government is willing to buy another 100,000 metric tons of rice from Thailand, which is an additional purchase not included in the Thai-Chinese trade protocol for 1987.

The commerce minister told reporters after the meeting with Zhang Dewei that the Foreign Ministry will soon send a delegation to China to negotiate for the purchase. According to the Thai-Chinese trade protocol for next year, China will buy about 100,000 to 120,000 metric tons of rice from Thailand. This additional purchase is because China considers Thailand as its close friendly neighbor.

During the meeting, Ambassador Zhang Dewei also told the commerce minister that although China has a large rice output, it is willing to support the Thai Government's policy of speeding up rice exports during the new crop season. The commerce minister thanked China for such friendly support.

The commerce minister also suggested to Ambassador Zhang Dewei that it is better for Thailand and China to cooperate in the export of agricultural products--especially rice, maize, and mung bean--so that they can have unit prices for exports to third countries, which will be beneficial to both countries.

Meanwhile, the commerce minister also said that the foreign minister of the Comoros will visit Thailand on 25 November to discuss rice purchase.

/6662
CSO: 4205/7

COUNTERTRADE WITH EAST EUROPE STUDIED

Bangkok THE NATION in English 11 Nov 86 p 18

[Text]

THE Mining Industry Council is holding negotiations to sell mineral products to Rumania, Poland and Yugoslavia under a countertrade deal which will see Thailand importing steel from the East Bloc countries, informed sources said yesterday.

The council recently set up a working group to study ways and means of exporting minerals which have faced marketing difficulties due to competition from the People's Republic of China. The minerals are fluorite, gypsum and barite.

The council has also been conducting trade negotiations with representatives from Rumania, Poland and Yugoslavia based on the information provided by the Commerce and Foreign ministries that these countries are importing 60,000 tons of fluorite annually.

The Eastern Bloc countries buy fluorite from Mexico and the Soviet Union. The latter has been a buyer of fluorite from Thailand for re-export to these three countries. The Mining Industry Council wants to sell directly to Rumania, Poland and Yugoslavia.

Sources said that the council has contacted local importers of steel from the three socialist nations as well as fluorite exporters seeking to find new markets in this connection. Countertrade has been seen as the most likely scenario.

Meetings between local fluorite exporting firms and steel importing firms are underway.

Sources said that barite is still having quality and standard as far as exports are concerned. China has been undercutting prices of barite and has succeeded in penetrating the Japanese market. China has advantage over Thailand in terms of lower transportation cost.

Meanwhile, the Industry Ministry has formed a task force to develop and solve fluorite, gypsum and barite export problems. The members comprise representatives from eight agencies including the Board of Investment, the Foreign Trade Department and the Department of Economic Affairs.

The task force has also been assigned to encourage downstream industries to use more fluorite, barite and gypsum. Two separate sub-committees have already been formed to provide information to the task force.

/13046
CSO: 4200/174

COMPTROLLER OFFICIAL DISCUSSES GOVERNMENT DEBTS

BK131117 Bangkok THAI RAT in Thai 10 Nov 86 pp 3, 2

[All figures as published]

[Text] According to Phuchong Phengsi, director general of the Comptroller General's Department, as of 31 July Thailand owed 310,000 million baht in local debts. Direct government borrowings accounted for 281,697 million baht, including 68,393 million baht from the Bank of Thailand through government bonds, 67,969 million baht from the Government Savings Bank, 145,335 million baht from commercial banks and the private sector. Government-guaranteed borrowings totaled 28,873 million baht, consisting of 4,934 million baht from the Bank of Thailand, 139 million baht from the Government Savings Bank, and 23,700 million baht from commercial banks and the private sector.

The foreign debts totaled 281,596 million baht. Direct government borrowings accounted for 104,610 million baht. These included $ [U.S.] 2,274,719,000, or 59.16 percent; $1,322,671,000 in yen, or 34.40 percent; $28,927,000 in Deutchemarks, or 0.75 percent; and $218,548,000 in other currencies, or 5.69 percent. These borrowings were taken from the following institutions: $1,102,913,000 from the World Bank, or 28.69 percent; $171,016,000 from the Asian Development Bank, or 4.45 percent; $77,650,000 from the Agency for International Development, or 1.02 percent; $3,136,000 from the Export-Import Bank of Japan, or 0.08 percent; $569,435,000 from the Overseas Economic Cooperation Fund [OECF], or 14.18 percent; $28,297,000 from the FRG Institute for Development Credits KFW, or 0.75 percent; $1,195,100,000 from private sectors abroad, or 31.08 percent; $375,058,000 from the U.S. Foreign Military Sales Program, or 9.75 percent; $2,877,000 from foreign financial markets, or 0.08 percent; $318,789,000 from other foreign sources, or 8.29 percent, totaling 2,844,901 dollars.

Government-guaranteed borrowings totaled 176,986 million baht, consisting of $2,743,075,000, or 42.61 percent; $2,803,918,000 in yen, or 43.56 percent; $252,201,000 in Deutchemarks, or 3.92 percent; and $638,381,000 in other currencies, or 9.91 percent. These borrowings comprised $1,043,331,000 from the World Bank, or 16.21 percent; $576,907,000 the Asian Development Bank, or 8.96 percent; $365,520,000 from the Export-Import Bank of Japan, or 5.68 percent; $1,164,048,000 from the OECF, or 18.08 percent; $176,103,000 from the KFW of the FRG, or 2.74 percent; $2,230,719,000 from general financial markets, or 34.65 percent; and $880,947,000 from other sources, or 13.68 percent, totaling $6,437,575,000.

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CSO: 4200/150

SPOKESMAN CLARIFIES RICE SUBSIDY ISSUE

Bangkok THE NATION in English 11 Nov 86 p 1

[Text]

THE government will not subsidize rice exporters but will pay for any losses incurred by private firms which are partners of the government in counter-trade deals with other governments.

The government will also step up its efforts in exporting rice abroad through the government-to-government sales and barter, said Deputy Government Spokesman Montri Chenvidyakarn.

He said the 300 million baht earmarked for use in boosting Thai rice exports will not be used to cover losses of the government in G-to-G deals.

Neither will the money be used in compensating private firms engaged in counter-trade without government participation, he added.

The decision not to subsidize rice exporters directly was made in the first formal meeting of the committee on rice policy and measures chaired by Deputy Prime Minister Sontee Boonyachai at Government House yesterday.

The committee told the Commerce Ministry to go ahead with its negotiations with Senegal on a deal to barter A-1 (special grade) broken rice for fertilizer.

The meeting decided on the following:

- Increasing the fund for the Interior Ministry to buy paddy from poor farmers from 300 million baht to 400 million baht.
- Passing the plan to build barns for further studies by experts on the sub-committee on policy and planning of the rice committee.
- Insisting on its stand against setting guaranteed paddy prices.
- Approving the measures laid down by the Bank of Thailand for the lending of 5,000 million baht in the agricultural sector through commercial banks. The Bank of Thailand will charge commercial banks 1 per cent interest, whereas commercial banks will charge private borrowers 3 per cent interest; private borrowers need not show their financial statements in order to qualify for the soft loans.
- Cancelling the price intervention purchase programme of the Marketing Organisation for Farmers.

The committee also made the following appointments:

- Kosit Panpiemras, assistant secretary general of the NESDB, as head of the sub-committee on policy and planning.
- Montri Chenvidyakarn, deputy government spokesman, as head of the sub-committee on public relations.
- Maj Gen Surayuth Chulanonth, the prime minister's military aide, as head of the secretariat of the committee.
- All provincial governors as heads of the rice committees in their respective provinces.
- Squadron Leader Prasong Soonsiri, the prime minister's secretary general and chairman of the committee on coordination and follow-up of government policy implementation, as the chief overseer of the government measures to boost paddy prices and stimulate rice markets.
- The comptroller-general to be in charge of facilitating the transfer of money used in the entire operation.

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CSO: 4200/174

MEMORANDUM WITH SENEGAL ON RICE, FERTILIZER DEAL

BK130130 Bangkok THE NATION in English 13 Nov 86 p 1

[Text] Senegal has declined to buy Thai rice following a three-day negotiation with the Ministry of Commerce. Thailand and Senegal, however, signed a Memorandum of Understanding yesterday under which rice-fertilizer countertrade deals are expected next year.

Representing the Senegal side during the Memorandum signing ceremony at the Commerce Ministry was Abdula Kahmane, the visiting commerce minister of Senegal, while Commerce Minister Montri Phongphanit was present on behalf of the Thai government. The Memorandum states that the two countries will initiate the countertrading of 60,000 tons of Thai A-1 rice in exchange for the equivalent of Senegal fertilizer in the next three months.

Senegal will also buy about 100,000 to 150,000 tons of Thai rice in return for the sale of a maximum 100,000 tons of fertilizer to Thailand within 1987. The deals will be carried out on a government-to-government basis.

Montri told reporters following the Memorandum signing that the negotiations with Senegal officials during the past three days were rather difficult because Senegal wanted Thailand to commit a deal to buy its fertilizer.

But the fertilizer purchase if implemented will have problems about delivery as the presidential election is approaching in Senegal, he said, adding that the results of the three-day negotiations, however, were satisfactory.

He said the Public Warehouse Organizations (PWO) will likely handle the purchase of fertilizer from Senegal while the two countries would have to further negotiate the price of the goods. CPST, the state-owned trading firm of Senegal, will send its officials here for the negotiation, he said.

Informed sources in the rice export sector, however, said that the Memorandum of Understanding signed between Thailand and Senegal would likely prove meaningless as Senegal used to scrap a similar document signed with Thailand during former Minister Koson Krairoek's term.

The sources said that at the time Senegal failed to fulfill the obligation to buy a total of 100,000 tons of Thai rice as agreed in an agreement. The African country only bought around 20,000 tons of rice from Thailand.

"After they (Senegal) purchased the 20,000 tons, they decided to scrap the agreement as there was no guarantee on the obligation to fulfill the commitment," one informed source said.

The sources said further that the Senegal trade team did not intend to negotiate with Thai officials to buy rice but it on the other hand wanted to sell fertilizer to Thailand. Senegal has been buying Thai rice for sometime so it hopes Thailand will buy fertilizer in return, the sources said.

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CSO: 4200/150

300M BAHT TO 'SUPPORT RICE EXPORTS' APPROVED

Bangkok THE NATION in English 18 Nov 86 p 2

[Text] THE Council of Economic Ministers yesterday approved a 300 million baht budget to "support rice exports" but stressed that the money would not be used to subsidize exporters.

Ministers also decided to study how to set up an export credit guarantee corporation, how to prevent adulteration of exports and how to encourage private suppliers to sell fertiliser at the low prices offered by the Marketing Organization for Farmers.

At a press conference after the meeting, government spokesmen Mechai Viravaidya and Montri Chenvidyakarn said details of how the export support budget would be spent have not yet been worked out. They said some of the principles involved would have to remain secret.

A seven-member committee has been appointed to oversee spending. Admiral Sontee Boonyachai, deputy prime minister, chairs the committee which also consists of Commerce Minister Montre Pongpanit as deputy chairman, PM's Office Minister Sulee Mahasandana, Deputy Finance Minister Supachai Panitchpakdi, Commerce Permanent Secretary Bajr Israsena, Danai Tulalamba, director general of the Foreign Ministry's Economics Department, and Oranuj Osathanonda, director general of the Commerce Ministry's Foreign Trade Department, who is secretary.

A government statement says ministers "approved principles for accelerating rice exports. Action is to cover only government-to-government deals, including countertrade.

"For supplies of rice for government-to-government deals, the Commerce Ministry has been instructed to invite tenders open to all. For private sector rice, if any compensation is to be made, then it has to be made to all private suppliers."

Spokesman Mechai said the money would only be spent for purposes such as marketing trips by officials and traders and for losses incurred by the government in selling rice. He denied that the latter would constitute a subsidy, an assessment disputed by many economists.

The use of the word "subsidy" is regarded as sensitive because it could affect Thailand's claim to be an "agricultural fair trader" in international trade negotiations. It weakens Thailand's case against the US Farm Act and could lead to more US subsidies for rice supplied to third markets.

Mechai said yesterday that the Prime Minister Prem

Tinsulanonda, who is to see members of the Ways and Means Committee of the US House of Representatives this week, would be able to argue that Thailand's record on rice is clean.

Asked whether it is appropriate for the public's money to be spent secretly, Mechai said it was not his function to say whether the measure is a good one or a bad one. He was simply relating what the Economic Cabinet had decided.

Vijit Supinit, director of the Bank of Thailand's Banking Department, told the press conference that six banks have submitted plans to lend an estimated 4,000 million baht out of the 5,000 million baht the central bank wants commercial banks to lend to millers and other traders who buy and stock paddy.

He refused to name the banks, but it is believed that they are Bangkok Bank, the Thai Farmers Bank, the Siam Commercial Bank, First Bangkok City Bank, Bangkok Bank of Commerce and the Bank of Ayudhaya. Vijit did say that "three out of the big four" banks have submitted intentions to borrow 3,000 million baht.

Vijit said the cheap credit, offered to commercial banks' customers at an annual interest rate of 3 per cent, would cut costs and help to increase paddy purchases. But although the central bank estimates that the money could be used to finance the purchase of up to 4 million tonnes of paddy, he could not say whether this would be any more than would be purchased without the scheme.

Vijit accepted that without the cheap credit the 4 million tonnes could still be bought. He stressed that in any case the effect of the cheap credit would depend on the trade's ability to push milled rice out at the other end, into exports or domestic consumption.

On one point he was certain: that commercial banks prefer to lend to customers holding crops as collateral and not when property is the collateral. It has been suggested that commercial bunks would only lend on the basis of property and that the cheap credit would therefore have little effect on paddy buying and stockholding.

Vijit also said that supervision would have to be strict and the attempts to cheat would be dealt with strictly. He said the period when the credit is being offered is one when the central bank has a large number of inspectors available to make sure that the rice is not used simultaneously as collateral for several loans, and that the rice stocks are actually at levels claimed.

He said the government, particularly through Squadron Leader Prasong Soonsiri's monitoring committee, is determined that the policy is implemented honestly.

Although the spokesmen said ministers approved the establishment of an "Exim Bank," Deputy Finance Minister Supachai said it is really an export credit guarantee corporation. He said the World Bank is sending an expert to advise on the plan, which would only need about 150 to 200 million baht in capital. He said the intention is to work out a profit and risk sharing scheme involving the government and the private sector.

Supachai also rejected the idea of scrapping the 1.65 per cent withheld business tax on mills on the grounds that it would set a precedent for all crop traders to seek tax exemption.

Ministers also approved in principle a request from the Agriculture Ministry to allow farmers' groups to borrow 100 million baht interest-free from the Farmers' Aid Fund in conjunction with the 500 million baht programme for cooperatives to borrow for paddy stocking, approved on November 4.

It is not known whether this is allowed by law and the ministry has been ordered to examine the legal position.

Earlier, representatives of the Student Federation of Thailand handed in a letter objecting to the proposal to handle the 300 million baht export support budget secretly. They said the Interior Ministry's intervention buying with a budget of 400 million baht would be a superficial attempt at pacifying farmers and that the 5,000 million baht being offered in soft loans would remain largely in the hands of millers without benefiting farmers.

The students said Admiral Sontee is an inappropriate chairman for the rice policy committee because he knows nothing about the rice trade, and sought the abolition of the law that allows the government to collect premiums on rice exports. Premiums were abolished at the beginning of this year, but the legal power to charge them remains.

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CSO: 4200/174

FARMERS OBJECT TO RICE POLICY

Bangkok THE NATION in English 20 Nov 86 p 18

[Article by Peter Mytri Ungphakorn]

[Text]

KHANIN Bulsuwan, the new director of the Marketing Organization for Farmers, confessed yesterday that it was his organization that asked the government to be exempt from intervention buying in this season's paddy markets and not the other way round.

Khanin was kicking off a discussion on the government's rice policy at Thammasat University's Faculty of Economics. Co-sponsored by the faculty and *Matichon* newspaper, the discussion involved almost 20 panelists and took up the whole of the morning.

Speaker after speaker criticised the government's rice policies, and although some of the proposals clearly reflected vested interests, they were not always predictable. One speaker who normally advocates free trade recommended fixing export prices, for example, and a leading farmer advocated assistance for exporters and millers. Another farmer actually said he sympathised with the plight of US farmers. People from the same sector did not always agree either.

Khanin's confession about the Marketing Organization for Farmers was part of a general admission that intervention buying provides little benefits for farmers. He said he wanted to set the record straight. When the government decided not after all to ask the MOF to buy paddy, it was at the MOF's own request.

The MOF no longer has the resources to buy paddy, he said, partly because it is already indebted to the Farmers' Aid Fund. The original plan to spend 750 million baht would only have bought 300,000 tonnes of paddy — assuming normal administrative costs and no leakages and corruption, Khanin said. The full annual harvest is 18 to 19 million tonnes.

The Marketing Organization for Farmers has been asked to allow farmers to use rice instead of cash when they repay their debts for fertiliser.

Khanin said that the effectiveness of this, too, would be limited. Harvest time is a time when poor farmers — the ones who would have bought fertiliser on credit from the MOF in the first place — need cash. These farmers would be reluctant to take rice to the MOF and return empty handed even if their fertiliser debts had been cleared, he said.

Therefore the MOF has to offer an incentive — to accept the rice partly in cash and partly as repayment for the fertiliser, and to allow a price that is more attractive than the market level.

The MOF has decided to value the paddy at 10 per cent above the market rate. A higher valuation would have left the MOF with more losses and further criticism for being an inefficient state enterprise, he said.

The other speakers from the government sector also participated, Chamlong Tohtong, managing director of the Bank for Agriculture and Agricultural Cooperatives, repeated his rejection of any attempt to get the bank to write off its customers' debts or to allow them to postpone payments. He said the bank would simply run out of cash to relend in the new season, in April and May.

Another from the government sector, Pracha Charutrakulchai, deputy director general of the Commerce Ministry's Department of Foreign Trade, chose simply to describe the situation in the world in 1986 and 1987, largely drawing on estimates from the United States Department of Agriculture.

He said that between now and the end of the US marketing season — the end of next July — the United States would have little long grain rice left to sell. The USDA expects the United States to sell 2.58 million tonnes and contracts have been clinched for all but 1.2 million tonnes, most of which will be medium and short grain rice, not competitors for Thai rice.

Pracha predicted that competition from other suppliers, mainly China, Pakistan and Burma, would be much the same next year as it has been this year. The problem for Thailand is low prices when domestic supply floods the market during the peak harvest season, he said.

After that, speakers picked and prodded at various details of the government's package and suggested their own variations. The most vigorous criticism came later from Dr Ammar Siamwalla, director for agriculture at the Thailand Development Research Institute, who described the government's policy as trivial — not necessarily a bad thing in view of the government's past failures with its actions on rice, he said.

"Is rice important enough to justify attaching genuine importance to policy?" he asked. Everyone knows rice is important, but when it comes to doing something about it, very little is committed politically or financially, he said. Ammar compared the budget being allocated for rice with what he said were much larger budgets for the Eastern Seaboard and questioned whether a significant number of people would benefit.

He also compared it with the 40,000 million baht value of the Thai rice trade and the 26,000 million baht the United States' government is spending on its rice farmers.

The 400 million baht the Interior Ministry is spending on intervention buying amounts to "buying peace," Ammar said. The ministry is selecting the areas where farmers are most vocal in their calls for action on prices in order to pacify those farmers, he said.

The 5,000 million baht the Bank of Thailand is lending to commercial banks to provide cheap credit for millers and traders to store paddy over the next few months only involves 100 to 200 million baht from the government in the form of interest that could have been earned elsewhere.

And the 500 million baht offered interest-free to cooperatives and farmer groups to buy paddy is only a loan that has to be repaid, Ammar said.

Turning to the plan to spend 300 million baht to support exports, Ammar said it is a misfortune that "Sri Thanon Chai" is regarded as a national hero. Ammar suggested that the Commerce Ministry plans to spend the money secretly in order to resort to the sort of trickery that Sri Thanon Chai was famous for.

In any case, he said, the 300 million baht is small compared with the size of the market. But the Commerce Ministry should not delude itself into thinking that outsiders will be misled about the use of the money.

Earlier, Manop Chamnankha, from the Song Phi Nong Cooperative in Suphanburi, said the government should scrap all taxes on exporters and millers. This was not out of any kindness he felt towards the more affluent members of the rice trade, but because he said the taxes are always passed on to farmers anyway. Manop said low paddy prices would be acceptable if the government could cut input costs — fertilizer, pesticides and tractors.

Charoen Mandee, a leading member of farmer groups in Khon Kaen, took a completely different view of exporters. He said price undercutting by Thai exporters had created problems for the United States' rice industry because world prices had been depressed. As a result, he said, the United States had brought the Farm Act in self defence.

Charoen listed the position of the national committee of farmer groups' representatives which yesterday proposed to the Agriculture Ministry that a target price of 3,000 baht should be set for lower grade (25%) paddy.

"If the government wants to help farmers, then trade should not be left free," he said.

His position was poles apart from that of Vichai Sriprasert, president of Riceland International and a committee member of the Rice Exporters Association. Vichai said the only mechanism that works is the market mechanism and suggested that farmers should be encouraged to follow market signals more closely. Thailand is not producing the qualities of rice the market wants, he said, as suggested by higher prices for some kinds of rice.

The manager of his association, Somboon Phathaichan, advocated a secretive approach for forming a common strategy between the Commerce Ministry and exporters. He said it would not do any good to let competitors know what Thailand is doing.

Kamnan Song Ongchaiwatana, the proprietor of the main paddy market at Nakhon Sawan, who basically advocates non-interference in rice markets, did suggest that minimum export prices should be set and if necessary subsidies should be paid. He said the export market is the sole determinant of domestic price levels.

Song has just been elected secretary general of the Thai Millers' Association, and he pleaded the millers' case for financial assistance for buying up paddy. Niphon Wongtrangan, the millers' vice president elaborated.

Boonchu Rojanastien, the leader of the Community Action Party, said his party could put effective rice policies into practice. He said exporters who ask for subsidies when they suffer losses never talk of sharing their profits when they make profits.

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FARMERS' INCOME DECLINES 2.7 PERCENT

Bangkok THE NATION in English 3 Nov 86 p 18

[Text]

INCOME of farmers showed an average drop of 2.7 per cent during the first nine months of this year compared to the same period last year, the Bank of Thailand reported.

The slide in the income of farmers continued in the third quarter following the decline in prices of almost all commodities worldwide. As a result, production growth has slowed down because there was no incentive, the report said.

Maize, jute, sugarcane, cotton and coconut farmers were all receiving less earnings. Revenue from jute and coconut, despite some production increase, showed the biggest drop by 26 to 42 per cent.

Revenue from sugarcane and maize registered a similar decline of about 20 per cent and rice and cotton of about 10 per cent.

Revenue from other commodities improved. They were tapioca, coffee, rubber, tobacco and bean. The price of coffee has almost triple.

Income change in the agricultural sector was different among the regions. Income of farmers in the Northeast and the South rose but declined in the North and the central region for the second consecutive year.

Salaries of civil servants and employees of state enterprises rose in both nominal and real terms by an average 5-6 per cent. Income of employees in the private sector also rose but only slightly and in specific groups due to the inability to generate reasonable profits. Revenue of miners dropped by about 20 per cent.

Consumer expenditure rose mainly in the third quarter due to flow of fund during the election and savings from the oil price decreases. Most of the expenditure went to the non-durable goods while the expenditure on durable goods dropped.

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NATION CLAIMS AGRICULTURAL LONG-TERM INVESTMENT NEEDED

Bangkok THE NATION in English 5 Nov 86 p 4

[Editorial: "Trivial Support Won't Aid Farmers"]

[Text]

THE rice policy-formation season is here again, and once again the government seems to be heading for trouble.

The government's problem is that politically it has to be seen to be doing something in order to support farmers, at a time when it says it has little money to spend.

Besides, if it really is committed to a policy of free trade on analytical grounds as well as out of principle, then its ideology would dictate that it should leave the action to the market. It is not clear, however, how strong that commitment is on either grounds.

Almost every year, a similar pattern seems to emerge. First, the government works out its policy for the season. Sometimes this happens early in the season, sometimes later. Sometimes the policy emerges from heated arguments.

Then, the policy is put into practice, only for late December and early January to reveal that prices are not reaching the levels promised or hinted at. Often farmers demonstrate, they are pacified with promises — or the resignation of the Commerce Minister — and they return home.

There are of course variations to the pattern. This year, for example, the Commerce Minister might actually resign *before* the rice policy is implemented.

But if the government has learnt some of the lessons of past years and now maybe realizes that export premiums are actually a tax on farmers, perhaps there is also an important lesson that it has not yet learnt. If it had listened to farmers last year — and they were not all puppets manipulated by political parties — it would have heard some of them say that they would not have felt so bad if the government had not raised false hopes about the price of paddy.

Now, the government's newly streamlined publicity machine is trying to create an impression that the government is seriously trying to boost demand through short term stockholding and thereby to raise paddy prices — an analytical argument that is not agreed on by all.

It may well succeed. But by how much? What happens if the outcome is an increase of ten baht per *kwien?* Farmers, who by now should be cynical but may well allow their hopes to be raised once again, could end up on the well-beaten trail to Government House in mid-January, once again.

Despite the headlines, the government is *not* dumping 5,000 million baht in support of paddy prices. The Bank of Thailand is lending that sum at a low interest rate for six months. The actual subsidy is the forgone interest on that sum — perhaps 150 million baht.

The government has made no attempt to estimate how much its proposed actions are going to add to paddy prices and for how long. But it is trying to create the impression that it is serious.

It cannot have its cake and eat it. If it is serious in seeking short-term relief, then it will have to find the money for a programme that will be highly expensive such as subsidizing exports. That means giving agriculture priority over other candidates for the budget such as rescuing weak banks.

The real solutions are in the longer term, not this season or next. Significant investment has to be made in agricultural technology, but none of the present ministers have made a move towards that so far.

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CSO: 4200/174

ECONOMIC 'GANG OF FOUR' POLICYMAKERS PROFILED

Bangkok THE NATION in English 24 Oct 86 p 5

[Article by Pornpimol A. Chalermpalanupap]

[Text] A "Gang of Four" is making itself felt in the Prem V Cabinet. The "gang" tenaciously fights for economic liberalism and champions the cause of the private sector. The marks of this "gang" are all over recent government economic policy-decisions, especially the one on the Eastern Sea Board development projects.

Calling themselves "new generation ministers," members of this "gang" are Deputy Finance Minister Supachai Panitchpakdi, Deputy Agriculture Minister Suthep Thueksuban, Deputy Industry Minister Korn Dabaransi, and Deputy Commerce Minister Chucheep Harnsawad.

The four have many things in common: education in the West, elected to the House, aged between 30 and 40, and, perhaps most important of all, a fervent faith in economic liberalism.

They also differ in several aspects. Supachai and Suthep are Democrats; Korn and Chucheep belong to Chat Thai. Supachai shows the confidence of an economic expert. Suthep looks like a carefree countryman. Korn dresses stylishly and speaks forcefully. Chucheep feels ill at ease speaking in front of the crowd.

In a panel discussion organized by Business Management Service at the Imperial Hotel last Monday evening, the four spelled out their beliefs that economic liberalism is the key to future prosperity in Thailand. Their data were not new and their reasoning was not always logical. Yet, the way they presented the virtue of economic liberalism might have convinced many in the audience that a panacea for all the economic troubles in Thailand has been found.

The brain of this "gang" is Supachai, a PhD graduate in economic planning and development from Erasmus University in Holland. Supachai has long been a "star" in the panel discussion circuit and a prolific writer on development problems in Thailand.

Supachai was director of the Financial Institution Supervision and Examination Department, Bank of Thailand, before he quit. He was reportedly unhappy with the finance policy of Sommai Hoontrakul, the finance minister in the Prem IV Cabinet. Supachai discarded his role of a technocrat and became a politician by joining the Democrat Party. From then on, no one could stop Supachai from speaking his minds about what is wrong in the economy and in the government.

Supachai's victory in the election was a remarkable feat. He beat Sumit Sundaravej, a younger brother of Samak who is the leader of Prachakorn Thai Party, in Constituency 8 (Bangkapi, Minburi and Nong Chok) where Prachakorn Thai Party is popular. (Prachakorn Thai Party won two of the three seats there).

Supachai was given the ministerial post although he was just a new-comer in the Democrat Party. Supachai has since taken his job with a vengeance. After so many frustrating years of working under policies that he did not always agree with, now he is in a position to do something about them. Nobody can silence him now.

Supachai is a leading critic of the National Fertilizer Corporation. He wants to curtail the growth of the national debts (now standing at about US$12,000 million) by imposing a ceiling of US$1,000 million annual borrowing from overseas.

He wants to keep all state enterprises under tight budgetary disciplines. They can grow, as far as he is concerned, but not by means of borrowing from overseas and unloading debt repayment burden on the government the way some of them have done.

He advocates privatization of the public utility sector, selling to private investors public enterprises that have been in the red.

He also calls for a non-partisan national economic policy which will serve as a blueprint for long-term economic development. He wants an end to the conventional practice of basing economic decisions on political expediency.

"The plan to construct a deep-sea port in the Eastern Sea Board, for example, had been kicked around like a political football for several years," Supachai noted. "It was a waste of time to do that," he added.

Supachai is optimistic about the economic future of Thailand. He believes Thailand has enough natural resources and human potential to become "No.1 in ASEAN." What Thailand needs now is a better management of its resources, specially, in the agricultural sector and in the government.

Compared with Supachai, Deputy Agriculture Minister Suthep is much less persuasive. Neither is he as knowledgeable as Supachai. His father was a farmer but Suthep had little interest in farming. He chose politics instead.

He graduated from Chiang Mai University with a B.A. in political science. After that, he attended Middle Tennessee University, in the US, where he earned an M.A. in political theory.

His political career began with the job of a "kamnan" in Tambon Ta Satorn, Surat Thani. He joined the Democrat Party and became a secretary to Chuan Leekpai who was then the minister of commerce as well as the minister of agriculture. He also became a member of the executive board of the party.

Suthep was secretary to Minister Banyat Banthadtharn of the PM's Office before he was elected MP in Surat Thani. Suthep has yet to get used to his power and prestige of being a deputy minister.

"People still call me a juvenile minister," he told reporters. Suthep still mixes well with reporters whom he has known since his years as secretary to both Chuan and Banyat.

Suthep admits that the agricultural sector is in a bad shape. Thirty-three million out of the 51 million in Thailand are in the agricultural sector and their annual per capita income is only 2,593 baht. The Thai rice farmers still suffer from low productivity; their output per rai is only 30-40 *tang*, compared with 70-80 *tang* in other rice-exporting countries.

People in the agricultural sector rely on just a few crops. They tend to be inflexible and they suffer from low prices.

Nevertheless, Suthep thinks the situation is not hopeless. He believes the private sector should be encouraged to play a more important role in agricultural development.

The agricultural cooperatives are, he believes, still too weak to contribute meaningfully. "Therefore, we have to rely on the private sector to help in marketing crops and processing raw commodities," he said.

On the government side, Suthep wants a national agricultural council to be a coordinator between the private sector and the government. A bill on the establishment of such a council is under consideration in the Agriculture Ministry. Suthep expects the bill to be ready for presentation in a Cabinet meeting in two weeks.

Suthep also wants to form a working group, consisting of senior officials of Agriculture, Commerce, Industry, and Finance ministries, to assist private businesses in cutting through bureaucratic redtape.

"We want to help them do business in the agricultural sector. If they make a lot of profit, the benefit will eventually trickle down to the farmers," Suthep explained. "And don't forget us at election time," he quipped.

Commenting on the privatization of the public utility sector, Suthep agrees that certain monopolies may be able to improve their performance when they face direct competition from the private sector.

"Let me tell you this," Suthep confided, "I am now a deputy minister and yet I still cannot get a telephone number of my own. I still have to share someone else's number!"

Deputy Industry Minister Korn concedes that one weakness in the "gang" is that the four deputy ministers tend to agree with one another on what should be the solutions to various problems. "Maybe it is the fact that we are young and we like to talk. We are the four most talkative in every Cabinet meeting," Korn said.

Korn studied at Clark University, USA, where he earned a B.A. in business administration. He was an economic vice-counsellor in the Thai Embassy in Canada. Later, he became secretary to Maj Gen Chatichai Choonhavan who was the minister of foreign affairs and the minister of industry. Korn was the international manager of Erawan Trust before he was elected MP in Nakhon Ratchasima.

Korn blames the economic woes of Thailand on "a lack of leadership." "The government has never given the private sector a clear guideline, leaving the private sector in the dark most of the time," he said.

"But the Prem V is a different story," he claims. "We have insisted in the Cabinet meeting that there must be clear-cut government policies," he added.

The Prem V government has made it clear that the private sector will play a dominant role and that economic liberalism is the guiding policy.

Korn believes the old mentality in the Thai bureaucracy is still a hindrance to economic development. "Some senior officials in the Industry Ministry enjoy wielding power to obstruct private investors," he said. "This is unacceptable," he added.

One way of cutting through red tape in the Industry Ministry is through delegating decision-making power to industrial offices in the provinces. Korn also sees the need to revise the Industrial Factory Act.

He, as well as the rest of his "gang," objects to increasing the minimum wage in Bangkok and adjacent provinces from 70 to 76 baht. "I am afraid the current campaign to demand the increase is a political move," he said.

Although the "gang" wants to depoliticize the domestic economy, Deputy Commerce Minister Chucheep calls for a more active role of the Foreign Ministry in selling Thai products overseas.

The supposedly "free trade" in international market is not actually free because of political intervention of all buyer-countries.

Chucheep was an engineer by training. He has a B.S. degree in engineering from the Philippines and a M.S. from Long Beach University, USA. He was secretary to the minister of science and technology before he was elected MP in Pathum Thani.

As for the role of the Prem V government, the emphasis is now on promotion instead of restriction. "The key words in our policy should be promotion and encouragement instead of restriction and limitation," he said.

He worries that the Commerce Ministry has inadequate budgetary resources to do all of its jobs efficiently. "We are like a small guy carrying a heavy load," he said.

In spite of budgetary limitation, Chucheep wants to improve the data collection and dissemination so that the private sector can get up-to-date information.

Apparently, the "Gang of Four" is having its way in the Prem V Cabinet so far. It is too early to predict how much these "new generation ministers" will be able to accomplish. Their aspiration is praiseworthy. Their energetic approach to chronic economic problems is impressive. Let's hope they do not give up too soon. For they have assigned themselves an uphill task that requires as much perseverance as courage.

/13046
CSO: 4200/174

ARMY ANNOUNCES RESHUFFLE OF 220 COLONELS

Bangkok BANGKOK POST in English 12 Nov 86 p 8

[Text] THE Army yesterday announced the reshuffle approved by Commander-in-Chief Gen Chavalit Yongchaiyudh of 220 officers of special colonel and colonel ranks.

Last week, First Army Commander Lt-Gen Watthanachai Wutthisiri said the announcement of the list had been delayed because many commanders wanted to put forward their own men.

The list was finalised by a committee chaired by Chief of Staff Gen Wanchai Ruangtrakul. The committee comprises his two deputies and four assistants. The committee system differed from reshuffles in recent history, in which the commander-in-chief picked his men in order to keep his leverage.

The following is a list of officers in significant positions.

Col Watthana Bunyasit, commander of 31st Infantry Regiment, becomes deputy commander of First Division.

Col Thanes Maisont, chief of staff of First Division, becomes commander of 31st Infantry Regiment.

Col Amporn Sawetseranee, commander of 11th Infantry Regiment, becomes chief of staff of First Army Division. His successor at the 11th Infantry Regiment is yet to be picked.

Col Akkadeth Sasiprapa, commander of 19th Infantry Regiment, becomes chief of staff of Ninth Infantry Division.

Col Panom Chiravicharana, chief of staff of the Second Infantry Division, becomes deputy commander of the division.

Col Chetha Thanacharo, deputy commander of the Second Infantry Division, becomes deputy commander of the Ninth Infantry Division.

Col Chainarong Noonpakdi, commander of the Second Infantry Regiment, becomes deputy commander of the Second Infantry Division.

Col Somchai Ubondejpracharat, deputy commander of the Second Infantry Regiment, becomes the regiment commander.

Col Manop Daoruang, deputy commander of the Ninth Artillery Regiment, becomes its commander.

Col Sompol Chunhanant, commander of the Ninth Infantry Regiment, becomes chief of staff of Second Infantry Division.

Col Pornchai Dejatiwongse na Ayutthaya, deputy commander of the 12th Infantry Regiment, becomes commander of the Ninth Infantry Regiment.

Col Chalong Chotitakham, deputy commander of the 19th Infantry Regiment, becomes its commander.

Col Thaveesak Noonimitr, attached to Army Headquarters, becomes deputy commander of the Sixth Infantry Regiment.

Col Kitkoon Uthayangkoon, deputy commander of the Third Infantry Regiment, becomes its commander.

Col Prachak Visuthkul becomes commander of the ranger force of the Second Army Region.

INTELLIGENCE

Col Sema Yoosathaporn, commander of the Fifth Special Warfare Regiment, becomes chief of intelligence of the Third Army Region.

Col Montri Sookpreecha becomes commander of the ranger force of the Third Army Region.

Col Viseth Siriwatthanakul, commander of the 25th Infantry Regiment, becomes deputy commander of the Fifth Army Circle.

Col Santhorn Vinitchaikul, deputy commander of the 25th Infantry Regiment, becomes its commander.

Col Vicha Siritham, deputy chief of staff of the First Special Warfare Division, becomes deputy chief of staff of the Special Warfare Command.

Col Sathorn Suwannasri, deputy commander of the First Special Warfare Regiment, becomes chief of staff of the First Special Warfare Division.

Col Visarn Kanitthanont, deputy commander of Chon Buri Army Province, becomes deputy commander of the First Special Warfare Division.

Col Boonsak Kamhaengritthirong, chief of personnel of Special Warfare Commander, becomes its deputy chief of staff.

Col Harn Paythai, chief of staff of the Second Special Warfare Division, becomes its deputy commander.

Col Yutthana Muangmangkang, deputy commander of the Fourth Special Warfare Regiment, becomes chief of staff of the Second Special Warfare Division.

Col. Boonrod Somthas, deputy chief of staff of the First Special Warfare Division, becomes commander of the First Special Warfare Regiment.

Col Parin Sutapaha, deputy commander of the Fifth Special Warfare Regiment, becomes its commander.

Col Sikhin Hasdin, chief of staff of the Second Cavalry Division, becomes deputy commander of the division.

Col Rattana Chalermsaenyakorn, commander of the Fourth Cavalry Regiment, becomes chief of staff of the Second Cavalry Division.

Col Narong Narkpreecha, deputy commander of the Fourth Cavalry Regiment, becomes the regiment commander.

Col Pichai Chinechote, commander of the First Anti-Aircraft Artillery Regiment, becomes attached to academics division of the Chulachomklao Military Academy.

Col Somchai Chaiyapant, deputy chief of staff of the Infantry Centre, becomes commander of the 15th Infantry Regiment.

Col Komkrit Sriyapant, commander of the 11th Engineering Regiment, is attached to Army Engeering Department.

Col Sakon Mitrkasem, deputy commander of the Army Transportation Department, becomes chief of aviation of the department.

Col Thakerng Mungtanya, deputy chief of staff of the Anti-Aircraft Artillery Division, becomes commander of the First Anti-Aircraft Artillery Regiment.

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CSO: 4200/174

DAILY RUNS 'PREPARED' TEXT OF CHAWALIT SPEECH

BK130225 Bangkok THE NATION in English 13 Nov 86 pp 4-5

["Full text" of "prepared speech" by General Chawalit Yongchaiyut, Army Commander-in-Chief, entitled "Thailand Security Needs and Prospects: Thai Perspective," scheduled to be delivered 12 November at second Thai-U.S. bilateral forum seminar in Uttaradit]

[Text] Reports on developments in Southeast Asia over the past decade have revealed three major trends; first, the Soviet Union's attempt to fill the power vacuum created by the withdrawal of the United States forces from the area; second, the emergence of a regional expansionist power, Vietnam; and third, the People's Republic of China's opposition to the Soviet and Vietnamese hegemonism.

The first two trends are directly related. While the Soviet Union is making use of Vietnam to fill that power vacuum, Vietnam accepts the Soviet support to further its expansionist dream, i.e. the Kampuchea occupation, and to challenge the People's Republic of China. The last trend dictates the PRC to counter both of them.

Vietnam has the largest armed forces and remains the primary destabilizing influence in this region. Soviet military and economic support has allowed Vietnam to improve its military capabilities. Over 150,000 Vietnamese troops currently occupy Kampuchea, threatening the security of Thailand while creating the potential for conflict of wider implications.

In the midst of these major trends, Thailand, a small independent state in Southeast Asia, is now experiencing several national security problems both internally and externally.

The threat to Thailand's national security, (as defined in security terms), is any action that threatens its independence, people's safety and democracy under the constitutional monarchy. This includes all types of external aggression, espionage, hostile reconnaissance, sabotage, subversion, annoyance and inimical influence.

At present, the nature of the threat against Thailand is primarily that of a communist takeover, i.e. the Communist Party of Thailand (CPT) from inside and communist Vietnam from the outside. The present international, regional and military conditions, however, do not favour Vietnamese actions. Therefore, the internal threat from the CPT is perceived as seriously challenging Thai national security.

The CPT's structure, as well as other communist parties, includes three key elements: The party (leadership), the armed element, and the mass organization (the united front).

The party has been conducting its guerrilla warfare against the Thai government since 1965. In 1984, four years after the government had issued its Order No 66/23 (1980) and No 65/25 (1982), which emphasized political actions over military measures, the CPT lost its armed struggle against the Thai government.

The CPT's essential instruments for conducting the revolutinary war were the armed elements, the bases, the sphere of influence, and the political strategic offensive.

After several military operations the many bases of the CPT were mostly destroyed. The guerrillas, estimated at their peak to be 13,000 strong in 1978, are now less than 1,000. Without armed elements, the CPT has lost the crucial instrument to wage war. Moreover, the strategy of political offensive or democratic measures contained in the Order No 66/23 and 65/25 have turned the CPT into a defensive position. [as published] This is a serious and almost fatal error in contemporary communist strategy.

Militarily, the government has won over the CPT, however, the war has not been won yet. The urgent task at hand is to destroy the party and the united front consecutively. There is only one way to destroy the party: To convince the party cells that they are misled by an erroneous ideology. However, it is not an easy task.

The even harder and more sophisticated task is the destruction of the CPT's united front, i.e. those who create injustice in the society; those who corrupt, tyrannize, and misbehave in the bureaucracy. This task would never be done without the cooperation and unity of the Thai people.

The external threat against Thailand from Vietnam's full-scale invasion is unlikely in the near future. Economically, Vietnam is a poor and underdeveloped nation. Their military forces have been stretched out so far that the economy is suffering from the strain. Being the fourth largest army in the world has cost them about half of the annual national budget. The prolonged war in Kampuchea and Laos plus their security problems, i.e. the Sino-Vietnamese conflict, FULRO (United Front for the Struggle of Oppressed Races] rebels, etc have drained most of that nation's resources. For the moment, the Vietnamese capacity may be there but the intent is not. Because they are proving the unchallenged truth in "The Art of War".

When the army marches abroad, the treasury will be emptied at home. When the army engages in protracted campaigns, the resources of the state will not suffice.

Besides, the Soviet financial support which has been a major resource in backing up the Vietnamese aggressive foreign policy for years, an estimated U.S.$1 billion annually, seems to be uncertain now. This statement is confirmed by Truong Chinh, the Vietnamese president and Communist Party secretary general who accepted that Vietnam has risked a gradual end to the Soviet assistance.

At the present time, no significant signs indicate a major Vietnamese attack across the Thai border. But Vietnam still maintains 150,000 to 160,000 fully equipped military personnel in Kampuchea and 50,000 to 60,000 in Laos. The potential threat to the Thai security prevails.

These Vietnamese forces are involved in their military operations against the Coalition Democratic Government of Kampuchea [as published] (CGDK) and the Laotian resistance forces. All of them have engaged in some kind of military activities such as limited reconnaissance, small-unit patrols, and the like.

The most vulnerable activity is called "hot pursuit" which is done by deploying their forces or artillery fire into the Thai territory at any place and any time, though knowing that the entering fee [as published] is usually high.

The latest incident was in October 1986. The Vietnamese troops marched across the border and seized a strategic hill in Buriram, a northeastern province of Thailand. After they were forced out by the Thai security forces, the Thai intelligence indicated that they suffered heavy losses and casualties.

Theoretically speaking, should Ho Chi Minh's dream of Indochinese Federation still exist among the Vietnamese elites, while conditions are favourable to Vietnam politically, economically, and militarily, they might attempt further territorial expansion. Then Thailand would become vulnerable to Vietnam's full-scale invasion. This scenario seems to represent the worst case.

However, there are the two main points in Vietnam's account that this scenario should not be ignored [as published]: The Vietnamese aspirations in Indochina; and the mutual interests between the Soviet Union and Vietnam.

The Vietnamese aspirations in Indochina concern the idealized concept of Indochina as a country: Particularly, Vietnam, Laos, and Kampuchea closely bound together under Vietnamese tutelage. This aspiration has existed for several decades and remains an ideological principle of central importance to the Vietnamese leaders.

The mutual interests between the Soviet Union and Vietnam concern the degree of compatability of national interests and ideological objectives of the two countries. These interests indicate that their special relationships could not be allowed to fall apart at any time.

The national security problems in Thailand can be categorized into four areas: Economic, political, military, and socio-psychological. This paper emphasized political and military problems because they stem from the internal and external threats. The other problems are examined as well, but to a lesser extent.

Thailand is naturally an agricultural country. With its abundance of fertile land and natural resources, agriculture forms the basis of the Thai economy. This is vital to Thailand's national security. However, export revenue in agricultural products which has been the backbone of the Thai economy for centuries is undermined by the so-called "protectionism" and "subsidies in agricultural trade."

At the present time, thirty million poor Thai farmers, two-thirds of the population, are suffering from agricultural exporting failure. This existing condition further causes a side effect to the Thai industrial sector. Protectionism and subsidies in agricultural trade have been seriously jeopardizing Thailand's security and undermining the peace and stability of the free world.

The cause of protectionism and subsidies in agricultural trade is not international but internal politics. They will remain as long as the free-world community does not recognize them as threats to the international stability.

Internal communist insurgency is the single most important political problem in Thailand. The cause of the problem comes from the Communist Party of Thailand (CPT) and their struggle for state power.

The common goal of the Thai government and the CPT is to win the people: Hearts and minds. Democracy, though different in context, is something offered by both of them. However, unlike the free world's democracy, the CPT's is led by the princples of communism. Their firm intention to overthrow the government is considered to be dangerous to the Thai stability.

As mentioned earlier, the CPT has lost its armed struggle. Yet the war is not over. Although the general situation appears calm, the CPT, or more precisely its party cells and united fronts, including the remnants of the armed elements are still alive.

They are soliciting more support and establishing more fronts, particularly in urban areas while the conditions for revolutionary war prevail.

There are two kinds of conditions supporting the CPT in waging a war: The national and the democratic conditions.

The national condition appears when a nation is under foreign influence or control. There is no such condition in Thailand today.

The democratic condition occurs when the ruling class of a society becomes tyrannical, unjust, and corrupt. Misbehaved bureaucrats accelerate this condition. Once the condition exists, it provides a basis for the CPT to launch the political strategic offensive.

Through the last five years, the Thai government, after having pursued a policy of political offensive against the CPT, has tried hard to bring about social justice and democracy. But the threat remains. The government could not control the democratic condition as desired.

This serious condition must be eradicated. The only way to cope with this condition is democracy, real democracy that is similar to that exercised in most of the free world countries. It is the only effective weapon to wage war against communism. Thus, the Thai government has to establish a new measure as soon as possible.

Military problems stem from the Vietnamese occupation of Kampuchea. In the past eight years, the Vietnamese troops have been periodically violating Thailand's sovereignty and territorial integrity. As a consequence, no less than 200,000 Thai villagers at the border had to be relocated in time of the violations.

Occasionally, the Thai forces are involved in skirmishes on the Thai territory between the Vietnam and Khmer resistance troops. Many times the Vietnamese troops moved across the border to seize some key terrain in Thai soil in order to gain advantage over the Khmer resistance forces. This military activity must never be allowed to happen easily. The Thai troops must be used to drive the intruders out at all costs.

In fighting against the Thai or the Khmer resistance troops, the Vietnamese troops launched heavy artillery barrages over the Thai territory at the border. Although the Vietnamese troops were taught lessons, the loss of Thai civilian lives and properties were unavoidable.

The Vietnamese military occupation of Kampuchea has also created tremendous humanitarian problems for Thailand. Since 1970 no greater example of human misery could be found than that of the Khmer people of Kampuchea. Out of the 8 million population, as many as 3.5 million have died either in war or holocaust. Approximately 3 million faced starvation. Hundreds of thousands who escaped famine, epidemic disease, and Vietnamese invasion fled into temporarily constructed refugee camps along the Thai border.

The extreme plight of these refugees arrested the attention of the entire world, although relief efforts only partially succeeded. While several countries, inspired by the UN office of High Commissioner for Refugees, accepted these refugees in their quotas, over 130,000 refugees in Thailand still awaits resettlement in a third country.

In addition, there are over a quarter-of-a-million displaced persons encamped along the Thai-Kampuchean border with an arrival rate of 200 per month approximately.

As a developing country, Kampuchean refugees [as published] continue to place tremendous strain on Thailand's resources which are already limited. Besides, together with the Vietnamese refugees along the Thai-Laos, and Thai-Kampuchea border, these refugees could become a "population base" for Vietnam militarily and politically in establishing the Indochinese Federation, should their ambition exist.

In addition to the refugees, there are a number of other associated problems: Narcotics, smuggling, and weaponry trade along the border. These problems have also created a security threat to Thailand as well.

The most fundamental security problem in Southeast Asia stems from the Soviet Union's military expansion in this region. It was amplified by Vietnam, a Soviet satellite state, who inherited hegemony by gobbling up its neighbouring Kampuchea and Laos.

Although a vast majority of the UN General Assembly has been voting in favour of the withdrawal of the Vietnamese troops from Kampuchea for eight consecutive years, no action has been taken. No one knows how and when this issue will eventually end. However, imminent peace in Kampuchea is unlikely in the near future.

In Thailand, the communist activities will continue for years to come. As long as the democratic condition remains in this society, the struggle will not easily be conquered, unless this condition is actually eradicated and democracy is truly experienced.

To cope with Thailand's internal threat, democracy must be developed and strengthened immediately. In order to obtain true democracy, the unity of every Thai institution: Civilian bureaucracy, military establishment, public organizations, etc, is first required, while cooperation and moral support from our free world allies, particularly the United States, is very important.

Being in the middle of internal and external threats, security assistance is essential for Thailand. Although Thailand has faced the two-sided war, the Thai armed forces have tried hard to minimize its military expenditures. But it is not sufficient. Several new programmes have been initiated in which more allies' participation is needed.

Having issued the "Total Defence" doctrine, the Royal Thai Army has mobilized strategic territorial and local defence forces to play their amalgamated roles instead of carrying the task alone. Thus, the Army could launch a force reduction programme so the economic resources can be diverted toward the procurement of a more advanced and effective weapon system. As a result, this kind of programme will need a certain type of foreign assistance.

Up to the present, the U.S. security assistance, together with the Foreign Military Sales (FMS) programme, have been playing a major role in assisting the Royal Thai Armed Forces to carry out those programmes. Any reduction of these funds would significantly affect the Thai self-defence capabilities, national security, and eventually the stability of Southeast Asia.

In strategic terms, where Thailand has been an anti-communist front-line state, the overall security of non-communist countries in this region, ASEAN states in particular, is vital to the U.S. security interest as well.

During the past eight years, the United States has supported the UN resolution calling for the withdrawal of Vietnamese troops from Kampuchea. Unfortunately, that has not altered the situation in Kampuchea. However, the UN resolution is absolutely right and legitimate that free-world nations have to stick to and make it come true. One Western diplomat was correct when he said:

"You don't come here just to pass the resolution, go home, and do something else. The thing to do is to stick to it, to back it up with all your might, with your foreign policy and with the foreign policies of those who vote with you... make it become a part of your national purpose and political life."

Therefore, in order to boost the legitimate Khmer resistance forces' morale and determination to carry on their struggle for independence, the international community should continue its moral and humanitarian support for these forces. Political, economic, and moral pressure on Vietnam must not be relaxed because these activities would help Vietnam realize that the price of its aggression is too costly and agree to the UN resolution no matter how long it might take.

A strong economy is vital to Thailand's national security. It helps improve the Thai welfare and ability to cope with the internal and external threats.

At the moment, it is sad that the Thai economy is undermined by protectionism and subsidies in agricultural trade. It is clearly seen that without growing export markets, the expansion of the industrial sector would be impossible. The growth of skilled labour force would then be obstructed. Thailand is now experiencing these phenomena.

Stability depends on favourable economic conditions. Long-term economic well-being would serve the need to secure democracy. Before Thailand could become a true democratic state, the Thai economy has to be strong enough to support that type of government.

If the United States, the closest ally of Thailand, could eradicate protectionism and establish discipline in agricultural trade, Thailand would become economically stronger and capable of securing its democratic government in the long run.

In brief, the national security problems facing Thailand are mainly associated with internal and external communist threats. The Thai threat perception is oriented toward the activities of the Communist Party of Thailand and the Vietnamese occupation of Kampuchea.

Economic, political, military, and psychological problems are inter-related and generally lead to instability. Thailand has done her best in coping with these major security problems. However, assistance from our allies are also needed, at least to the status quo position.

Since Thailand and the United States have mutual interests in regional security, we need to align our ideas and strategy to the same level and harmonize. While strong measures have been used in the Kampuchean conflict, the U.S. military, economic, and moral support are also necessary to secure Thailand's stability in the future.

/12858
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SNOH URGES COST CUTTING, VIEWS ENERGY OBJECTIVES

Bangkok THE NATION in English 21 Nov p 25

[Speech by Snoh Unakul, secretary general of the National Economic and Social development Board]

[Text]

OVER the past seven years we have seen the price of oil go through a full cycle. Starting at around $12 a barrel in 1978, spot prices rose to around $40 at one time; and just about the time when all the experts were predicting $100 a barrel, it started to go in the opposite direction.

Who could have guessed that it would drop from $27 a year ago to $7, before rising again to the present $12-$15 a barrel? Now it seems that all the experts agree that the price of oil will remain between $15-$20 per barrel over the next few years. I am not sure that I find much comfort in this prediction, since the so-called experts have proved to be consistently wrong over the past 7 years.

However, these great price fluctuations have taught us a number of valuable lessons. We suffered a great deal during the oil price increase, and everybody in this country had to make many sacrifices.

We have learnt about the consequences of resisting powerful changes from the outside. Subsidizing the domestic price of oil and cross-subsidizing certain products have created distortions in the domestic structure of petroleum consumption and unnecessary losses in the balance of payments as well as losses in government revenue.

We have also learnt about the consequences of inflexibility which forces us to change energy policy everytime the economic situation changes. A good example of this is the 1982 petroleum exploration terms which implicity assumed that the price of oil would go on rising forever.

We have also learnt about the consequences of insufficient control in a market which is not competitive. We were taken advantage of by an oil company during the oil crisis of 1979/80; I am glad to say that this company is no longer operating in this country.

On the other hand, we also learnt the consequences of too much government involvement in the oil business — a business which requires swift decisions and modern management techniques, difficult to attain under government regulations.

Lastly, we have learnt to be prudent and not to overlook any possibility however remote it may be. Therefore, for the future we have prepared for a world of uncertainty.

The "Base Case Scenario" of the Sixth National Economic and Social Development Plan assumes a $22 per barrel oil price in 1991. If the price should be lower than our expectation, that would be better. But let us see it first before deciding on a more expansionary fiscal and monetary policy.

The "prudent but dynamic approach" is in fact to be found throughout the Sixth Five Year Plan, particularly in the Energy Plan. We begin with the fact that uncertainty is the name of the game. The real experts frankly admit that they simply don't know the medium-term future for energy prices. We, therefore have to face squarely a problem of risk management, in which flexibility and energy diversification are the key objectives.

One distinct feature of Thailand's Energy Plan is that, only two months after the beginning of the Sixth Plan on October 1st of this year, a number of its recommendations have already been implemented, while others are in process. So it is a Plan that is fully alive and not just sitting on a bookshelf.

First, we have already started to tackle energy pricing policy. The oil price decline early this year gave us a good opportunity to realign the domestic prices and tax rates of petroleum products in order to eliminate distortions in the demand structure for fuels. The differentials between gasolines, diesel and automotive LPG have been narrowed considerably.

The "prudent approach" has also been adopted regarding the absolute price level, as only about one-third of the decline in the world price has been passed on to consumers. The rest is being allocated to the oil fund and the government treasury.

The domestic price adjustment is already having some impact on petroleum consumption. Gasoline consumption is rising faster while there has been a slowdown in LPG and diesel consumption. As a consequence, the petroleum demand-supply balance of the country is improving.

The price of natural gas has also been reduced to make it competitive with fuel oil and imported coal. The ceiling on the coal import tax has been fixed at 25% and the government has given assurance that it will remain at this level for the next 5 years in order to provide a fair amount of certainty for private businesses.

The competition among different types of fuels which are substitutable is, in fact, the most important underlying concept behind the Energy Pricing Policy. No protection will, in the long run, be given to any one type of product as this would push up industrial production costs, thereby making Thailand's exports uncompetitive.

In this environment of world cut-throat competition, we need to cut all unnecessary costs to make our industrial exports as competitive as possible. Export orders are gained or lost on only a small margin.

Although a number of price measures have been implemented, much still remains to be accomplished. For instance, the problem of two-tier pricing of LPG, and the whole question regarding LPG pricing at refinery gates, LPG import policy and the role of government in LPG trade, still needs to be clarified.

The principle of deregulating petroleum prices has been adopted by the government but the details and the exact timing still need to be worked out. An important precondition is that the domestic petroleum market will have to be mroe competitive before deregulation is actually carried out.

We are now taking a look at this problem in detail and we hope to see a series of measures in the future to increase competition in this market. These measures would range from petroleum import policy, to restructuring of the role of the public sector in the petroleum business, to the adjustment of various regulations concerning service stations.

The **second** strategic objective of the Energy Plan is to sustain local production and petroleum exploration. This can be brought about be relaxing some of the fiscal terms, taxes, royalties and other concession terms.

In fact this morning we had the first meeting of the National Energy Policy Committee which discussed the urgency of this policy. The Committee assigned the Ministry of Industry, which is already working on the measures, to come up with a set of specific recommendations within 3 months.

As a first step towards reaching a consensus on this policy, a seminar is being held tomorrow at Pattaya which some of you will be attending.

To be more specific, it is the terms which were introduced in 1982 which need to be reviewed urgently. For instance, the condition that costs allowable for tax assessment purposes are limited to 19% of gross revenues, may need to be changed.

The annual bonus, which in effect is the progressive royalty, may need to be reviewed.

On the other hand, exploration and production periods should be reduced to prevent oil companies from sitting on concession areas, and so would rules concerning confidentiality of exploratory and development drilling data.

Moreover, it appears that many oil companies are not sure of the role of the public sector regarding the petroleum business. This makes them unwilling to commit themselves too much.

This was one of the problems discussed at the meeting this morning. I believe that the government will try to clarify its role quickly.

Third, even in this period of lower energy prices, we have not forgotten about conservation. Due to the rapid changes in the structure of our economy, the demand for commercial energy is rising faster than our GDP, which in the long term could increase our reliance on imported energy again.

The National Energy Policy Committee this morning stressed the importance of energy conservation. The National Energy Authority has been assigned to submit detailed operational plans for conservation measures within 3 months.

Finally, privatization, which is one of the main themes of the Sixth Plan, is also an important theme of the Energy Plan. The energy sector is one of the largest users of public funds, and with the ceiling on annual foreign borrowing being kept at $1,000 million, the need to privatize public sector activities is even more urgent.

Within the energy sector there is much scope for privatization, for instance Bangchak Petroleum company, certain activities of PTT or even some aspects of EGAT's operations.

Bangchak will probably be the first candidate, because its privatization would be an important step towards the objective of making our domestic oil market more competitive. A number of large investors have shown interest in the project.

As I have already mentioned, in order to implement these measures the government has established the National Energy Policy Committee which met for the first time this morning.

The new Committee replaces the National Petroleum Policy Committee, National Electricity Policy Committee and other committees or sub-committees related to energy policy. It is chaired by the Prime Minister, and is essentially a sub-cabinet committee.

To serve as the secretariat to this Committee, the National Energy Policy Office has been established and is attached to the Prime Minister's Office. From now on, it is this Committee which will be responsible for the implementation of energy policy as well as for monitoring the entire energy programme.

We have gone through much hardship, and sacrifice, and have learned important lessons. It is not enough to prepare for the worst and merely hope for the best. Instead, we are prepared for the worst, but are also trying hard to actually *do* the best. It is essential that we do not become careless because oil prices happen to be down at the moment.

/13046
CSO: 4200/174

BRIEFS

INTERPOL OFFICE FOR BANGKOK--Thailand has agreed to allow the International Criminal Police Organization to set up its regional office in Bangkok. Under the agreement, which was acknowledged by the cabinet this week, the regional office will be entitled to a number of special privileges similar to those given to diplomatic missions. Its primary task will be the collection of information about international crime and drug matters and analysis, particularly in Southeast Asia. The Bangkok Interpol will also circulate information gathered in the region and coordinate action against international crime and drug offenders. [Text] [Bangkok Voice of Free Asia in English 1500 GMT 7 Nov 86 BK] /12858

ENVOYS TO UK, PRC--According to a report from the Foreign Ministry, Suthi Prasatwinichai, Thai ambassador to the United Kingdom, presented his credentials to Queen Elizabeth II on 4 November. Tet Bunnak, Thai ambassador to the PRC, also presented his credentials to the acting PRC president on the same day. [Text] [Bangkok Voice of Free Asia in Thai 1030 GMT 10 Nov 86 BK] /12858

PAKISTANI, IRAQI, FRENCH ENVOYS--On 11 November the king separately received credentials from Mir Hamid Khan Aliani, the Pakistan ambassador; (Muni Shihab Ahmad Al-Majadi), the Iraqi ambassador; and (Yvon Bathuiel), the French ambassador. [Summary] [Bangkok Domestic Service in Thai 1300 GMT 11 Nov 86 BK] /12858

BURMESE REBELS TURNED BACK--Chiang Mai--Policemen Monday encountered about 150 guerrillas of narcotics warlord Khun Sa in the Thai border area north of here and subsequently ordered them to cross back into Burma. While patrolling along a mountainous route on Doi Keiohung in Tambon Mae Ai of Mae Ai District, provincial and border patrol policemen encountered a band of the Shan State Army (SSA) rebels in full combat gear. The intruding Burmese minority rebels later agreed to peacefully cross the Thai-Burmese frontier back into Burma after being ordered by the Thai police. Field sources reported that Khun Sa's troops Sunday clashed with guerrilla fighters of the Wa National Army (WNA) along the mountainous border area opposite Mae Ai District about 180 kilometres north of the provincial seat. They said the rival forces exchanged heavy arms fire close to Thai border villages, prompting the border patrol policemen to be on alert to prevent the fighting from spilling over into Thailand. Forces of the Wa ethnic minority in Burma, attempting to capture the SSA's Doi Lang stronghold, are reportedly mounting a drive against Khun Sa's troops along the mountainous terrain straddling the Thai-Burmese border in Mae Ai. [Text] [Bangkok THE NATION in English 13 Nov 86 p 5 BK] /12858

THAI-MALAYSIAN BORDER VILLAGES PLANNED--Commander of the 4th Army Region Lieutenant General Wisit Atkhumwong disclosed a plan to set up strategic villages along the Thai-Malaysian border in order to build an administrative and economic structure and achieve security for the areas formerly under the influence of terrorists. Each village may comprise several groups of people living scattered along the border, and will have a program of local development for security protection. In 1987, the 4th Army Region plans to set up 10 such strategic villages. The commander of the 4th Army Region said there will be a development program for remote and sensitive areas in addition to the development along the Thai-Malaysian border. The program will be introduced first in Nakhon Si Thammarat Province. A major feature of the program is the training of village leaders with the stress on moral value, social and economic development education. The aim of the program is to improve vocational knowhow for local people so that they can upgrade their living conditions. The work will be expanded to cover all provinces in the south. [Text] [Bangkok Domestic Service in Thai 0530 GMT 16 Nov 86 BK] /12858

GOVERNMENT TO PROTEST 1986 U.S. OMNIBUS ACT--The Thai Government will protest the passage of the U.S. Omnibus Budget Reconciliation Act of 1986, which will adversely affect Thai exports to that country. Business Economics Department Director General Somphon Kiatphaibun said the act would allow the collection of the customs user fee, which clearly indicates the U.S. protectionist policy. Under the act, the so-called customs user fee will be collected on all imports except used goods, imported goods destined for re-export, and goods bought by the U.S. Government. With the projected value of Thai exports to the U.S. at about 41,800 million baht for the whole of 1986, it has been calculated that the U.S. customs user fee would cost importers of Thai products 92 million baht this year. It is expected that Thai exports to be most affected by the act will include frozen shrimp, canned tuna fish, certain types of textiles, and rice. Mr Somphon said Thailand considers the act as a blatant protectionist move obstructing the world's free trade system. [Text] [Bangkok Domestic Service in English 0000 GMT 16 Nov 86 BK] /12858

VOFA ON LAO ACCEPTANCE OF REFUGEES--The United Nations Higher Commissioner for Refugees signed in October a memorandum of understanding with the Laotian Government, in which Vientiane stated its agreement to accept Laotians refused for asylum in Thailand, UNHCR representative Gerald Walzer said yesterday. Mr Walzer said the memorandum is the first written document Vientiane has signed for the matter. Mr Walzer also said Laotian officials restated their willingness to accept the screened-out Laotians and said they were considering cases submitted by UNHCR. Thailand has long urged Vientiane to accept the Laotians who were termed as illegal entrants. According to Thai officials, about 1,600 of them are being detained in the Muang district police station in Nakhon Phanom Province. Laotians still constitute the majority of Indochinese asylum seekers in Thailand and many of them were considered economic migrants rather than victims of persecution. [Text] [Bangkok Voice of Free Asia in English 1500 GMT 17 Nov 86 BK] /12858

COMMUNIST PARTY OF MALAYSIA CAMP SEIZED--Songkhla--Combined armed forces from the Civil-Police-Military 42 force yesterday seized a Communist Party of Malaysia (CPM) camp in Na Thawi District here following a brief gun battle, the Fourth Army Region reported this morning. The report said that the camp comprised twelve living quarters, a radio station, and a huge quantity of food and clothing supply. The combined forces also found landmines around the camp. The camp was believed to be operated by A-rim, one of the most wanted CPM members. [Text] [Bangkok BANGKOK WORLD in English 19 Nov 86 p 3 BK] /12858

CSO: 4200/150

BRIEFS

GDR DELEGATION LEAVES--Phnom Penh, 11 November (SPK)--The foreign trade delegation of the German Democratic Republic led by Vice Minister Jocken Steyer left Phnom Penh this morning ending its six-day official friendship visit to Kampuchea. The delegation was seen off at Pochentong Airport by Phang Saret, vice minister of home and foreign trade, and other Kampuchean officials. Dr Frank Peter, GDR commercial attache in Kampuchea, was also present. While in Kampuchea, the delegation was received by Chea Soth, Politburo member of the party Central Committee, vice premier and minister of planning. It held talks with a delegation by Vice Minister Phang Saret [sentence as received] A protocol on foreign trade cooperation for 1987 between the two countries was also signed. Under the document, Kampuchea will supply the GDR with rubber, timber, soybean, tobacco leaves and other farm products in exchange for 24 items from the GDR, such as means of transport, chemical substance for farming, typewriters, cameras, medicines, etc... The delegation also visited the former royal palace, the national museum, the Phnom Penh shopping centre, various state establishments and the Angkor Wat temple in Siem Reap-Oddar Meanchey Province. [Text] [Phnom Penh SPK in English 1058 GMT 11 Nov 86 BK] /12858

THAI INTRUSIONS WEEK ENDING 15 NOV--Phnom Penh, 18 November (SPK)--In three weeks ending 15 November, Thai gunners on 64 occasions fired some 10,200 artillery and mortar rounds on various Kampuchean border areas, especially on southwestern Smat Deng and the end of road 56 in the provinces of Battambang and Pursat, and different areas in Koh Kong. Also in this period, Thai aircraft of L-19, A-37, and F-5 types and helicopters on 50 occasions overflew the areas of northern Anlung Veng, O-Bok, Poipet, Malai, and other areas in the five provinces bordering on Thailand, from three to 10 km inside Kampuchea. On sea, Thai vessels on 613 times illegally operated in Kampuchean waters from four to 30 miles off Koh Kong and Koh Tang islands. On land, Kampuchean border guards intercepted different groups of Khmer reactionaries infiltrating from Thailand, putting 123 of them out of action and seizing 78 assorted guns and other war materials. [Text] [Phnom Penh SPK in English 1136 GMT 18 Nov 86 BK] /12858

CSO: 4200/150

IMPROVING EFFECTIVENESS OF CAPITAL IN ARMY PRODUCTION

Hanoi NHAN DAN in Vietnamese 6 Oct 86 p 2

[Article by Do Kiem: "The Effectiveness of Capital in Increasing Production in the Army Units"]

[Text] Promoting activities which increase production in the units is a very important measure in effectively using the labor of troops and creating material wealth, to meet the needs of training and combat readiness and organize living conditions. It is an important supplementary source for the national defense budget and has a very important economic and military significance. For that reason, every year, in addition to the public welfare budget the army finance sector invests in units throughout the army to develop production and animal husbandry in many rich forms, small-scale production around mess-halls and houses, and animal husbandry on a large scale, such as by encroaching on the sea, clearing land, catching and raising fish, exploiting coal and wood, producing construction equipment and materials, etc. Many units have developed their strength by investing capital and labor in the right way and by tightly managing the production labor activities, so they have attained good results. Many units at the front, including units which are fulfilling international missions in friendly countries, very year harvest hundreds of tons of grain, tens of tons of meat, tens of tons of beans, peanuts, and sesame, and tens of thousands of tons of vegetable of all kinds. Therefore, they are able to meet the local needs and do not have to bring in food from the rear. Many units have water buffalo and cattle herds totaling hundreds of animals but have recovered their initial capital, such as the Air Force Officers' School, Convalescence Group 20, the Tay Nguyen Corps, the Huong Giang Corps, and the Air Defense Corps. The gradual "utilization" of the warehouses, buildings for vehicles and artillery, housing, work buildings, and assembly halls of the above-mentioned units reflected the high effectiveness of the production movement to create sources of income for capital construction. Those production-increasing activities require much capital, and the use of much labor. Most of the capital is spent for breeding stock and seed stock, manual production equipment, fertilizer, and other secondary materials. Therefore, it is not difficult to rapidly recover capital.

In addition, many units know how to make good use of capital in increasing production with internal capital and in the right direction, to produce material wealth and bring about high effectiveness, but there are other units which, because they use capital arbitrarily disperse their investment, and do not carefully calculate the objective factors, operate at a loss and waste manpower and materiel.

How can production expenses be reimbursed?

Economic work requires capital and labor. but in addition to producing products it is necessary to ensure economic effectiveness. In the case of all production activities requiring large amounts of capital and labor, there must be bold investment, but it is also necessary not to invest if no real results are attained. As economic and financial managers, the financial organs at all levels have great responsibility toward the unit's production activities. By means of investment it is necessary to promote the production labor activities, bring about high economic effectiveness, and prevent the waste of manpower and materiel. To carry out that task well, before reporting to the commander so that decisions can be made regarding the investment of capital and labor in a production activity, the financial organ must closely coordinate with the relevant sectors, such as the rear services and materials sectors, in drafting economic-technical justifications. It is necessary to fully take into account the existing conditions to overcome the remaining deficiencies, draft production plans and plans to market products, and calculate economic effectiveness in advance and in an objective and scientific manner. In the course of actual investment, experience has shown that with regard to the characteristics of the missions and the mobile nature of the army, the forms of increasing production on small and medium scales, and by manual means, are appropriate for units at the division level (or equivalent units) on down. They will allow the rapid capital turnover, and the lives of the troops will rapidly be improved. Organization on a large scale, and liking to "mechanize,' are not yet appropriate for us, and usually result in losses because our forces are far different from those of the state economic organizations. With regard to the organization of labor and production, the commanders have a very great responsibility and demand that they have knowledge of production labor, economic and natural science activities, commercial viewpoints regarding the capital and materials of the army, and the health and lives of the cadres and men under their command. In unit A, the commander saw that the local people profitably grew garlic for export, so he sent cadres to find out how to grow garlic and draft an economic justification in order to borrow capital with which to buy seed. It is regrettable that the unit operated in mountainous terrain with steep inclines, where the soil had not been improved, while in its initial growth phase garlic requires much water. During the dry season the troops didn't have enough water for daily life, so how could they have water to grow garlic? The result was a waste of labor and capital. In Unit B, which totaled 100 people, activities were dispersed in the jungles and mountains areas which are far from the rear area and in which transportation was difficult. In view of that situation, the commander thought about and found a rational production plan: growing upland rice, corn, potatoes, manioc, fruit trees, and greens. After 4 months the corn and rice were harvested and the unit began to raise poultry. After 6 months the unit had capital to raise hogs and cattle. After 11 months the unit had 20 meat hogs and sows, 8 cattle, and nearly 400 chickens and ducks. The living conditions of the unit's troops are continually improved, the cadres and men are united and enthusiastic, and 100 percent of the troops participate in combat readiness training and fight well. The unit has reserves of grain and fresh food on the spot but invested initial capital amounting to only a few thousand dong.

Role of the rear services commander:

In managing and increasing the effectiveness of production capital, the role of the rear services commander is extremely important. Once there is a policy of investing labor and capital to increase production, the rear services director must serve as an effective staff aide for the unit commander. The rear services director is responsible for participating in transforming capabilities into reality. Therefore, it is necessary to think, study, weigh, and review the factors of the economic justification, select and appoint the cadres to be in charge, and rationally organize and harmoniously coordinate all aspects--tending, planning, storing, and processing--and rationally and economically use the products that are produced. Depending on its special characteristics, the unit decentralizes investment and does not have to concentrate it at one echelon, which does not bring into play the responsibility of each unit. As an organ which is responsible for providing capital to increase production, every time it considers granting capital to a unit the financial organ must study in depth the contents and goals for borrowing capital. What will be the primary product, and what difficulties will that product overcome for the unit? Are the conditions regarding the surface area and the organization of implementation rational? If necessary, on-the-spot inspections should be carried out before granting the capital. Once the commander has all necessary factors and decides to invest capital and labor in a certain form of production, the financial and rear services organs must urgently draft a capital loan plan. The capital that is invested must be tightly managed and used for the right purpose. Expenditures must have a central focus, there must be a balancing of needs, and stagnation and waste must be opposed in all aspects. The products that are produced must be tightly managed and the consumption plan must be well implemented. It is necessary to rapidly recover capital, manage and rationally use profits in investing in reproduction and improving the troops' living conditions, and satisfy part of the training, combat readiness, and combat in correct accordance with regulations. Only by carrying out those tasks can the financial and rear services organs play their roles and contribute positively to ensuring the effectiveness of the production labor activities of the army units.

5616
CSO: 4209/127

SHIP CREWMEN SMUGGLE CONTRABAND FROM ABROAD

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 7 Oct 86 p 4

[Article: "A Major Smuggling Incident Aboard the Ship Hoa Phuong Do"]

[Text] The ship Hoa Phuong Do belongs to the Hai Phong Maritime Transportation Corporation. A few months ago the ship was sent on assignment to a foreign country. The ship had a crew of 24 and two cadres went along to supervise.

On the return trip, in addition to state cargo there were many contraband goods belonging to people aboard the ship, including hundreds of motorbikes, TV sets, radio-cassette players, bicycles, and sewing machines, and many other goods. On the outward voyage they illegally took along much foreign exchange and smuggled out many Vietnamese goods to sell abroad to obtain money to buy the above-mentioned goods.

The people aboard the ship intended to sell those excessive amounts of contraband goods when they returned to port.

Meanwhile, in Hai Phong, Le Quang Khanh, a worker at Construction Enterprise 16, and Vu Duy Duc, a sailor with the Hai Phong Maritime Transportation Corporation, knew the time when the ship Hoa Phuong Do would return to Hai Phong, went to Cat Ba to rent the ship TS 119 from the Cat Ba Fishing Enterprise, and went in the direction of Long Chau Island to meet the ship Hoa Phong Do and buy contraband goods from it at sea.

When the ship Hoa Phuong Do was about 12 nautical miles from Long Chau Island it met the ship TS 119.

When the ship TS 119 tied up alongside the ship Hoa Phuong Do and the buying and selling began a patrol boat spotted them from afar and the two ships were taken into custody and escorted back to port.

In addition to the contraband which the crew members were forced to declare, the functional organ also found many smuggled goods hidden all over the ship. According to calculations by customs, in addition to the legal money exchanging and the goods brought back legally, the 24 crew members and two cadres aboard the ship Hoa Phuong Do also illegally brought back to Vietnam goods valued at more than 14 billion dong (new money). The ship;s captain alone illegally brought back goods valued at more than 230,000 dong and the party chapter secretary brought back goods valued at more than 280,000 dong. The crew members brought back goods valued at least 140,000 dong. One person illegally brought back goods north nearly 600,000 dong. The people who rented the ship TS 119 to meet the ship Hoa Phuong Do also bought goods for which customs procedures had not been followed valued at a total of nearly 500,000 dong, and the two cadres who went along to "supervise" illegally brought back goods worth a total of more than 500,000 dong.

That was a major smuggling incident which was serious in many regards. The people who committed crimes in that incident must be tried in open court and receive appropriate punishment, according to law. The organs responsible for directly managing the ship Hoa Phuong Do, and the other economic organs and units, may learn necessary lessons regarding economic management and the management of workers and civil servants, and strengthen consciousness of organization and discipline.

5616
CSO: 4209/134

$500 FINES DEMANDED FOR RELEASE OF THAI FISHERMEN

BK130741 Bangkok BANGKOK WORLD in English 13 Nov 86 p 1

[Text] Vietnam has demanded that fines be paid for the release of 466 Thai fishermen who have been arrested and detained in Vietnam for intruding Vietnamese territorial waters.

Foreign Ministry spokesman Sarot Chawanawirat said the ministry received a report from the Thai Embassy in Hanoi that it had been informed by Vietnamese authorities that the Thai fishermen would be released on the condition that fines were paid for them.

The Vietnamese wanted a US$500 fine for each fisherman arrested before a new law dealing with territorial waters intrusion was proclaimed and a US$1,000 fine for each fisherman arrested after the new law took effect, Mr Sarot said.

But, in the cases of Thai fishermen, the Vietnamese authorities have confiscated their boats and the fishermen have been detained for an indefinite period. Despite this, the Vietnamese have demanded fines as the condition for their release, Mr Sarot said.

He said negotiations are still going on.

Mr Sarot expressed personal disappointment over the Vietnamese condition, saying that Thailand had been asking Vietnam to unconditionally release the Thai fishermen to commemorate 10 years of the establishment of the Thai-Vietnamese relations.

Mr Sarot said Thailand had on several occasions asked the Vietnamese leaders for cooperation on this matter such as during previous meetings between top Thai Foreign Ministry officials and their Vietnamese counterparts.

/12858
CSO: 4200/147

UN REPRESENTATIVE SPEAKS ON DEVELOPMENT

OW201611 Hanoi VNA in English 1454 GMT 20 Nov 86

[Text] Hanoi, 20 November (VNA)--"As a developing country that has greatly benefited from United Nation's voluntary assistance programs, Vietnam attaches great significance to operational activities for development", said Nguyen Xuan Ang, a representative of the Vietnam permanent mission to the United Nations at a UN debate on operational activities for development on 18 November.

"In its view," he said, "they are playing an important role in the strengthening of the socio-economic development in developing countries. These activities should be unceasingly consolidated and directed to the realization of development goals and objectives set by developing countries themselves".

Referring to outstanding obstacles to the observance of the UN development programs as well as negative phenomena in this field, the Vietnamese representative slashed several countries for their policy of pressurizing other countries through their aid programs, particularly the developing countries. He stressed that: "The Vietnamese delegation is firmly opposed to the attempt of using UNDP activities to serve the interests of the foreign private capital along the proliferous penetration of transnational corporations."

In this connection, the principle of national sovereignty should be strictly observed and development programs be undertaken in conformity with national plans and priorities of the developing countries.

"The cooperation between Vietnam and the UN major funds and programs during the past 10 years has been rewarded with positive developments. The productive cooperation between Vietnam and the world food program also finds its expression in the timely support and assistance from the program to my country in past years".

/12858
CSO: 4200/147

POLITBURO, MINISTERS ACCLAIM CEMA RESULTS

OW201548 Hanoi VNA in English 1506 GMT 20 Nov 86

[Text] Hanoi, 20 November (VNA)--The Political Bureau of the Communist Party of Vietnam Central Committee and the Council of Ministers have held a joint meeting here to hear reports on results of the 42nd session of the Council for Mutual Economic Assistance (CMEA) held in Bucharest from 3 to 5 November.

Reports were presented by Vo Chi Cong, political bureau member of the CPV Central Committee, vice chairman of the Council of Ministers, and head of the Vietnamese delegation to the session; and Tran Quynh, vice-chairman of the Council of Ministers and Vietnam's permanent representative to the CMEA.

The Political Bureau and the Council of Ministers valued highly the great achievements in socio-economic development in the CMEA member countries and measures and forms to raise the efficiency of cooperation among CMEA member countries. They acclaimed the resolutions of the session on the acceleration of the implementation of the overall scientific-technical program till the year 2000 and the coordination of planning among CMEA member countries in the 1986-90 period.

The Political Bureau and the Council of Ministers unanimously approved of the documents adopted at the 42nd CMEA session and urged party and state bodies to study and work out measures to implement the CMEA's resolutions.

They fully agree with the Vietnamese delegation's activities at the 42nd CMEA session.

/12858
CSO: 4200/147

JOINT COFFEE ENTERPRISE WITH GDR TERMED SUCCESSFUL

Hanoi NHAN DAN in Vietnamese 6 Oct 86 p 2

[Article by Mai Phong and Pham Kim: "The Viet-German Joint Coffee Enterprise, a Cooperation and Friendship Project"]

[Text] Five years and 7 months ago the Viet-German Joint Coffee Enterprise was formed. It is a key state-level project and the first cooperative project between our country and the German Democratic Republic with regard to tea.

To form a concentrated specialized cultivation area where intensive cultivation is practiced from the beginning and continuously:

The enterprise, which was formed on the basis of the old Ea Tieu and Ea Tua state farms, at first had a total coffee area of 672 hectares, 416 hectares of which had belonged to plantation owners and had been planted prior to the liberation of the Central Highlands. Most of the trees were more than 25 years old and had outlived their economic lives, so the quality of the plants was deficient and yields were low. Throughout the 1977-1980 period the average yield was only about 400 kilograms of beans per hectare. Due to a lack of experience, practically all of the 256 hectares of coffee planted in 1980 had to be abandoned.

In view of that situation, the enterprise's policy was to, by all means, cut down old trees to restore and rejuvenate 300 hectares that had become too old, while tending the remaining area, to continually maintain an annual out of 200 tons of beans a year during the 1981-1983 3-year period, so that later it would be possible to double the output on all 416 hectares in comparison to the past, with an average yield of 1,000 kilograms of coffee beans per hectare, beginning in 1985. That bold thought was implemented by means of complete and strict measures, such as cutting down trees early, combining the cutting down of trees with adjusting shade trees and planting shrubs, carrying out special tending, paying attention to fixing shoots, treating wild shoots, growing grafts, and pruning at the right time and with the correct techniques, in order to develop the coffee trees uniformly and with high quality. Therefore, all 416 of the old hectares had a new vital force. They began to produce earlier than expected and provided rather high output when brought into commercial operation. The average output was 1,000 kilograms of beans per hectare. For that reason, during the first 3 years (1981-1983) the harvested area declined by 40 percent but output remained at 200 to 215 tons a year, 40 tons more than during the previous 5 years. Not stopping there, beginning in 1986 the output of those 416 hectares will more than double over the previous 5-year period.

With regard to the 256 hectares planted in 1980, the enterprise adopted the policy of not writing them off, but of replanting 40 percent of the area, planting additional shade trees, spreading additional organic fertilizer on the poor-quality lots, spreading balanced chemical fertilizer, and expanding root basins accompanied by continuous composting and root cultivation. Therefore, the coffee was rapidly restored and developed so that the entire area could be brought into commercial operation by the deadline. A result of practical significance is that the enterprise successfully treated the poor coffee lots on dried-out, depleted soil.

In addition to restoring and consolidating the existing area, the enterprise highly concentrated its manpower and materiel to plant coffee trees at a rapid rate on a large scale, in order to develop 5,000 hectares by the deadline of the first phase of the treaty signed with our friends. That is the enterprise's principal front. To date, by means of diligent and creative labor the enterprise has planted 4,728 hectares, joined with Krong Ana District in planting 600 hectares, increased the enterprise's total coffee area to 6,000 hectares, completed the first phase of the treaty (1981-1985) a year ahead of schedule, and also completed the second cycle (1986-1990) of 1,000 hectares a year early. It is noteworthy that the entire, large-scale newly planted coffee area is developing well, the quality of the trees is good, and they are being harvested a year early. Representative are the 300 hectares planted in 1981, which were brought into commercial operation early without having to prolong the capital construction period. During the first harvest a yield of 600 kilogram per hectare was attained.

A very valuable lesson that was learned from actual production is that the enterprise continually applied technical advances to production and practical intensive cultivation from the very beginning. Throughout the entire process, from the tree nurseries that were intensively cultivated to the time the entire area was planted, the soil was carefully worked, deep trenches were dug, trees were treated in broad pits, and the hard soil was continually broken up. Deep planting was accompanied by continual root packing to create humus and retain moisture. The newly planted trees were protected from sun and rain during the rainy season and sufficient water was provided so that the coffee trees could grow during the dry season, especially those more than 3 years old. That was most clearly manifested in the 1,250 newly planted hectares in 1985 (more than four times the area in 1981). During that year's severe dry season the trees were not irrigated but still developed rather well. In previous years, it was often necessary to mobilize at least 25 pumps and consume 120,000 liters of oil in fighting drought on that area, not to mention the other expenses.

With all-out efforts within a short period of time, the enterprise increased its area from 672 hectares to 6,000 hectares, and its output from 178 tons to 1,000 tons. It fulfilled its obligation to make a credit payment of 700 tons of coffee to our friends this year. According to a survey undertaken at the end of 1985, 76.5 percent of the coffee was Grade A, 18.1 percent was Grade B, and only 5.41 percent was Grade C.

Correct Investment From the Beginning:

In order to ensure that the coffee developed well, the enterprise made correct, concentrated, and complete investments, concentrated capital on agriculture, made agriculture the precondition, and thereby determined a rational ratio of investment capital for the sectors serving agricultural production.

With the slogan of road-building leading the way, accompanied by water conservancy, in close coordination with the seasonal and annual planting schedules, the enterprise rapidly formed a thick road network with 33 asphalt and rock-surfaced roads and 100 kilometers of dirt roads. A water conservancy network with 20 large and small reservoirs with a total capacity of 20 million cubic meters of water is capable of supplying irrigation water for more than 4,000 hectares. Thus the ecological and environmental conditions were changed on a newly cleared, arid area.

The enterprise created an industrial production capability that was in balance with the scale of agricultural production, including the systems of enterprises produce and repair machinery, process coffee, and make furniture and construction materials. A system of warehouses with a capacity of 5,000 tons and a system of garages capable of maintaining 50 vehicles are important installations for the management and rear services tasks. They are very basic material-technical bases for future development.

The enterprise also received and did a rather good job of using equipment and materials from Vietnam and the GDR. Nearly all of the equipment and materials were brought into the enterprise with the close cooperation and heart-felt guidance of GDR specialists, had an effect, created a great production capability, and contributed importantly to production during the enterprise's initial phase. Today the enterprise has 8,335 transportation horsepower, nearly 300 tons of vehicles, 670 KVA/hour of electricity, and 15,286 horsepower of tractors and water pumps of all kinds. With the strength of international cooperation, the enterprise has taken the initiative in reorganizing production and has fulfilled its missions at a rapid rate and on a large scale, from land clearing, soil preparation, road building, dam building, and surface leveling, to the production and commercial installations.

Labor distribution combined with the ethnic policy:

An important, permanent task was to promptly fulfill and balance all labor needs, in a manner appropriate to the enterprise's development rate and closely tied in with the implementation of the state's labor distribution policy and the party's ethnic policy. Within a period of 5 years the enterprise recruited thousands of workers from the northern and central provinces to work at the state farm, thus increasing the total number of workers at the enterprise to 9,500 and its total population to 20,000. The enterprise not only had to be concerned with reorganizing production but also with living conditions, education, and medical care for the families' children.

In the zoned area there are 16 hamlets of the Rhade ethnic group. Under the close guidance of the Dac Lac provincial party committee, the enterprise adopted the correct and timely policy of transferring all local ethnic minority people to the state farm to ensure that production developed and create a solid transformation with regard to the lives and production of the ethnic minority people, and create a new combined strength on a large specialized production area. The 16 ethnic minority hamlets, including 2,300 workers (out of a total population of 5,000), joined the enterprise voluntarily and with true enthusiasm. The enterprise organized 15 production units, managed and directed by the ethnic minority people. Four deputy directors, two aides, and 30 unit heads and deputies were ethnic minority people. Over the course of 5 years of producing and living in the enterprise, all production units for which ethnic minority cadres and workers were responsible fulfilled their missions. Five of the 15 production units attained advanced standards. Something that was very moving was the rapid transformation in the way of life of the ethnic minority hamlets under the form of fixed habitation and the creation of a garden economy. Each of the small households is developing strongly.

Renovating the Management Mechanism:

At first there were two state farms, then five state farms, then there was formed the joint enterprise, a complete basic economic unit which carries out its own economic planning and economic accounting in production and commerce. The enterprise had to both resolve a whole series of problems regarding the ideological consciousness of a large production organization and struggle against the favoritism, dispersion, and small-scale production of each state, farm, while organizing a streamlined organizational apparatus that exercised direct guidance from the enterprise level down to the production teams. As a result of the rearrangement of production and the organization of centralized, unified management, Viet-German state farms 2, 4, and 5, which were created in 1982, 1984, and 1985, developed production with high quality and economic effectiveness. The enterprise paid attention to bring about transformations in the production units by continually perfecting and consolidating them and clearly determining the specific production directions, missions, and goals of each production team. Therefore, the number of production units has grown from 20 to 59, including 29 (52 percent) which are advanced production units.

In organizing management, attention has been paid to leading the implementation of the system of contracting output to workers, which is regarded as the central concern of all management and economic accounting activities. The enterprise bases the workers' benefits and bonuses on their results in attaining the contracted norms. The contracting out of output and product quality is intended to not only increase the workers' salary incomes but also encourage everyone to exceed the norms, and to strengthen the mastership spirit of the workers and civil servants in the missions assigned them, and oppose the attitude of over-dependence in labor and other work.

Thanks to the continuous renovation of the management mechanism, and to the expansion and continuous perfecting of the mechanism of contracting output to workers, the enterprise has implemented tight, comprehensive accounting. Although the past 5 years were only a period of concentrated capital construction, production and commerce were profitable and profits increased year after year. At the same time, the enterprise fulfilled its obligation to contribute to the state budget.

The success and results of the implementation of the first phase (1981-1985) of the treaty allowed the enterprise to expand cooperation and to sign the second phase of the treaty for this year, on a scale to 5,000 hectares of coffee during the 1986-1990 period, to increase cooperation in coffee production between ourselves and our friends at the enterprise to 10,000 hectares, and have opened up good prospects for economic cooperation relations.

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CSO: 4209/127

FRG GROUP TO CONTINUE 'EFFECTIVE ASSISTANCE'

OW181856 Hanoi VNA in English 1528 GMT 18 Nov 86

[Text] Hanoi, 17 November (VNA)--"Let's continue our effective assistance to Vietnam" is the call of the Hilfsaktion Vietnam (HAV), a mass organization in Dusseldorf, the Federal Republic of Germany.

Founded in 1965 when U.S. imperialism was seeking to escalate its aggressive war to North Vietnam, HAV worked under the slogan: "Siding with the Vietnamese people's struggle against aggression". Before long it involved a broad section of the FRG people who wished to join the movement in support of the suffering Vietnamese people.

HAV has now become a big mass organization totalling almost 10,000 members. Since its foundation, it has given warm and devoted assistance to Vietnam in national defence and construction. Its aid has so far amounted to 80 million Deutschemark covering various areas including health care, education, and engineering. Most worthy of note was its humanitarian aid delivered to Vietnam right after U.S. carpet bombings of Hanoi and other populous centers in Vietnam in late December 1972, China's border invasions in early 1979, and some major natural calamities.

HAV's doctors and scientific workers have been sent to Vietnam to study hereditary effects and the treatment of victims of agent orange, a toxic chemical sprayed by U.S. troops over many regions in Vietnam. Together with a considerable quantity of medicine and medical equipment, HAV has sent to Vietnam many other [word indistinct] things such as wheel chairs, protein-rich food and clothing. To date, it has supplied 23 tons of nutritious powder and grape sugar to pregnant women, breast-feeding mothers, children, and old people in war-ravaged and stormstricken areas.

During the Vietnam War, the FRG organization launched many money-raising campaigns to help Vietnam build itinerary prophylatic and hygienic stations and send the latter medicine, medical equipment, and blood bottles. [sentence as received]

In 1983, a needle making factory worth five million Deutschemark was built in Hanoi with HAV assistance.

Of late, HAV has sent a large quantity of advanced medical equipment including supersonic disease detectors to hospitals in Ho Chi Minh City and a dental ward in Hanoi.

Besides Vietnam HAV has been giving active assistance to Laos and the People's Republic of Kampuchea.

Speaking of his organization's activities in support of Vietnam, Prof. Walter Fabian, one of the initiators of HAV, said: "In their past struggle for national independence, the Vietnamese people badly needed our assistance. Today, while they are working with mind and main to rebuild their country, the Vietnamese people are worthy of receiving our continued support and assistance".

/12858
CSO: 4200/147

RADIO HAILS 'ACHIEVEMENTS' OF LAO REVOLUTION

BK021100 Hanoi Domestic Service in Vietnamese 1430 GMT 1 Dec 86

[Unattributed "article": "We Share the Lao People's Joy Over Their Great Revolutionary Achievements"]

[Text] The fraternal Lao people are exuberantly celebrating the 11th anniversary of their glorious national day, 2 December 1975-2 December 1986, amid boundless enthusiasm inspired by the brilliant success of the fourth LPRP Congress and by a host of great achievements scored by the Lao revolution.

What should be mentioned first is that over the past 11 years the system of proletarian dictatorship in Laos has been built and consolidated from the center to the grass-roots and that the level of political awareness of the Lao people of all strata has been ceaselessly enhanced. This is precisely a sharp weapon enabling the entire Lao party and people to firmly ensure their security and national defense and to frustrate all schemes and acts of various imperialist, expansionist, and reactionary forces colluding with one another to bring pressure to bear on the LPDR in all fields.

The Lao people's efforts in building a new life have also brought about boundless jubilation, with the greatest joy being the feat of eliminating the chronic scourge of famine. Today, the average annual per capita consumption is 380 kg of paddy. Thus, the age-old dream of plentiful life nurtured by the Lao people from one generation to another has become a vivid reality under the new regime. In a country once accustomed to a nomadic lifestyle and virtually alien to the cacophony of industrial activities, the rumbling of machines has now come to the villages and the white smoke of industrial factories is blending with the green leaves of forests here and there. Eleven years is not a long time, but during that period the Lao people have built for themselves a valuable industrial asset, and what is even more precious is that these industrial establishments are geared to fulfilling the ultimate objective of serving the people's life in a planned manner. In addition, there have been countless other notable achievements in culture, education, public health, communications, transportation, and so forth.

In the international arena, the LPDR's prestige and stature have been ceaselessly enhanced. The Lao party, state, and people have struggled uncompromisingly against all imperialist, colonialist, and hegemonist forces. In particular, the Lao party, state, and people have made positive contributions to promoting the trend of dialogue between the two groups of countries--Indochina and ASEAN--and building Southeast Asia into a zone of peace and stability in which all nations will strengthen their relations of friendship and cooperation and their mutual understanding. At the same time, they wish to improve Sino-Lao relations on the basis of respect for each other's independence, sovereignty, and territorial integrity and of noninterference in each other's internal affairs.

The Lao people's great successes have contributed to enhancing the position and strength of the three Indochinese countries and increasing the might of the socialist community. This is also a positive contribution to the cause of struggle for peace, national independence, democracy, and social progress in Southeast Asia and the rest of the world.

Inspired by the achievements already recorded, the Lao are making extraordinary efforts in the current revolutionary stage--the stage of implementing the resolution of the fourth LPRP Congress by carrying out the key task of gradually achieving socialist industrialization to successfully build the material and technical bases of socialism.

The Vietnamese people are extremely elated at the successes recorded by the Lao people in the past 11 years and are tremendously inspired by the brilliant success of the fourth LPRP Congress. The Vietnamese party, state, and people have always affirmed that the militant solidarity, fraternal friendship, and all-round cooperation between Vietnam and Laos which was painstakingly fostered by President Ho Chi Minh and tried in the protracted revolutionary struggle of several generations have become a pure and loyal international relationship. This is a priceless asset of our two peoples and the law that governs the survival and development of each country's revolution. We are happy to note that these special relations are constantly blossoming and bearing fruit. We pledge to do our best to consolidate and develop the strategic alliance between the two parties, two states, and two peoples of Vietnam and Laos as well as among the three parties, three states, and three peoples of Vietnam, Laos, and Cambodia on the basis of Marxism-Leninism and socialist internationalism to assist each other in national construction and defense. This is also a necessary condition for the three countries to fulfill together their historic obligations in this important position of socialism in Southeast Asia.

/9738
CSO: 4209/159

NHAN DAN ON EMULATION MOVEMENTS WITH USSR

BK040631 Hanoi Domestic Service in Vietnamese 2300 GMT 3 Dec 86

[NHAN DAN 4 December editorial: "Results of Vietnamese-Soviet Friendship Emulation"]

[Text] The Vietnamese-Soviet friendship emulation movement is a component of the international socialist emulation movement and a profound symbol of the militant solidarity and comprehensive cooperation between Vietnam and the Soviet Union. This emulation movement began in 1958 with the forming of a brotherhood between Hanoi Tool Factory No. 1 and the Moscow Red proletarian factory. After that, the system of brotherhood expanded to link the Quang Ninh and Donbas mining areas, and then the Haiphong port with the Vladivostok and Odessa ports.

Since the signing of the Vietnamese-Soviet Treaty of Friendship and Cooperation, the emulation movement has developed more broadly and profoundly and has become more organized. It has been strengthened by the mobilizing of Vietnamese cadres and workers and Soviet experts and workers to enthusiastically emulate and outstandingly fulfill all the economic and technical objectives in cooperation projects between the two countries.

Since the beginning of 1986, with a view to scoring achievements to greet the 27th CPSU Congress and the 6th CPV Congress, the Vietnamese-Soviet friendship emulation movement has been stepped up all the more vigorously and has helped achieve the great socioeconomic tasks of our two parties and two states. The congresses of our parties in 1986 marked a historic turning point in the political and social lives of the Soviet Union and Vietnam as well as of our whole socialist community.

The 70th plan put forward by the 27th CPSU Congress directs all the Soviet people's efforts to consolidating peace, perfecting socialism, and advancing toward communism. The 6th CPV Congress, to open soon, marks an important step in renovating the domains of thinking--primarily economic thinking--organizational and cadre-related tasks, and work behavior. It represents a new turning point and mobilizes all our party members, people, and troops to enthusiastically implement the two strategic tasks of building and defending the socialist fatherland.

Two congresses with one objective, this is the motto noted down in the 1986 Vietnamese-Soviet friendship emulation pledge of the Vietnamese cadres and workers and Soviet experts in the Quang Ninh coal mining area. Not long here, but also in hundreds of Vietnamese-Soviet cooperation installations and major projects sites of our state, thousands of Soviet experts and tens of thousands of Vietnamese cadres and workers have side by side worked creatively and have linked their emulation program with the common results to support the construction progress and fulfill new projects and create new products.

More than 10,000 pledges and programs of Vietnamese-Soviet friendship emulation have been signed between the various labor collectives of the Vietnamese and Soviet peoples. The results of the Vietnamese-Soviet friendship emulation movement are manifested by new labor achievements at the Hoa Binh hydroelectric power plant. More than 40,000 Vietnamese and Soviet cadres and workers have signed 1,588 emulation pledges among various teams and units to ensure the completion of projects on schedule with high quality.

Some 15 projects have been completed to greet the party congress among which two waterlogging control tunnels have safely operated and satisfactorily supported the work progress of underground project building groups. On 29 November, at the Pha Lai thermoelectric power plant, the fourth and last generator group of the largest thermoelectric power plant in our country began its operation.

Together with the Soviet experts, Vietnamese cadres and workers at the construction site of the Tri An hydroelectric powerplant are working energetically day and night in preparation for the damming of the Dong Nai River in the first month of 1987.

In 1986, the joint Vietnamese-Soviet oil and gas enterprise successively brought to the peoples of our two countries good news from Vung Tau-Con Dao. Soviet experts and Vietnamese cadres and workers completed the erection of and put into operation Fixed Oil Rig No. 3 two and one-half months ahead of schedule, finished the construction of a floating oil storage station 6 days ahead of schedule, completed the installation of an underground oil pipeline, and are exploiting the five existing oil wells. In addition, they have just begun to exploit another well of Oil Rig No. 3 and are preparing for the erection of Oil Rig No. 4.

At many other economic establishments--such as the Haiphong, Danang, and Saigon ports, the Dau Tieng rubber corporation, the Hanoi railway junction project, and various major coal mines--the Vietnamese-Soviet friendship emulation movement has truly become a movement for voluntary revolutionary action among Vietnamese and Soviet experts, cadres, engineer, and workers, and has encouraged every person and every labor collective to fulfill the 1986 state plan.

The Vietnamese-Soviet friendship emulation movement has attracted a broad spectrum of Vietnamese cadres, workers, and combatants and Soviet experts to participate in specific economic and social tasks, and encouraged them to enhance their responsibilities and duties, thereby helping to strengthen the latent powers of the Soviet Union and Vietnam as well as of the entire socialist community.

With various emulation targets and programs, the communist [word indistinct] of labor coordinated between Vietnamese cadres and workers and Soviet experts have given rise to many new methods and innovations to help overcome difficulties in supplies, energy, and daily life, satisfactorily ensure the construction of various major projects, and perfect many parts of work and many projects and products in honor of the party congress.

This emulation movement has also brought about a great effect on the process of cooperation and on the dissemination of experience in production and economic management.

With devotion, comrade Soviet experts have provided Vietnamese workers with experience and have encouraged, assisted, and trained them. They have also helped Vietnam build a contingent of scientific and technical cadres and skilled workers. The valuable experiences acquired in this widespread emulation movement should be developed in order to achieve socioeconomic results in productive labor and other tasks.

Our people highly value the substantial results of the Vietnamese-Soviet friendship emulation movement--an emulation movement that glitters with the spirit of socialist internationalism. We also warmly praise Soviet experts and Vietnamese cadres, workers, and combatants who have overcome numerous difficulties and have worked selflessly for the sake of Vietnam and the socialist community. This is a new manifestation with new quality of the everlasting friendly solidarity and all-round cooperation between Vietnam and the Soviet Union in the interests of peace and socialism.

/9738
CSO: 4209/159

NEW, OLD EXPORT-IMPORT MANAGEMENT SYSTEMS COMPARED

Hanoi NGOAI THUONG in Vietnamese Jun 86 pp 18-25

[Article by Nguyen Anh Thu: "Some Comparative Features Between the Old and New Mechanisms for Managing the Export-Import Units"]

[Text] Following the issuance of (draft) Resolution 306/TLNN of the Party Central Committee and the temporary regulations regarding the right of autonomy of the basic economic units in the sphere of producing export goods and exporting, the Ministry of Foreign Trade is preparing a guidance circular.

In order to contribute to that task and facilitate common research, we would like to summarize the key features contrasting the old and new mechanisms.

However, the above opinions are only initial thoughts and it is certain that they are still one-sided in many respects. I hope that many comrades will contribute many opinions in order to create for the sector a new management mechanism that fulfills the requirements of the new missions in the present phase.

On Special Characteristics

a. The old mechanism:

The "passive" mechanism, with its bureaucratic centralism nature, tendency toward administrative commandism, and restrictiveness toward the basic level, did not create favorable conditions and did not require the basic level to manifest initiative and creativity. Furthermore, it did not ensure unified, centralized management, and did not stop and promptly overcome manifestations of partial dispersion and disorganization.

The "closed off" management system was of the vertical subsidizing-from-above type.

b. The new mechanism:

The "active" mechanism is imbued with the principle of democratic centralism which makes planning the central concern, while at the same time increasing the use of economic levers and administrative-economic measures to guide and direct the economic organizations along the path of socialist commerce.

The dynamic "open" system is horizontal (encourages the development of potential and the expansion of joint operations and economic alliances, even with foreign countries, when permitted).

On Planning

a. The old mechanism:

Planning was imposed and the upper echelon did planning for the lower echelon. There was over-dependence on the outside and it contained many subjective, wishful-thinking factors.

The upper-echelon organs had the right to determine the plan norms assigned to the lower echelons, but had no material responsibility for its decisions, so even though they knew that the plans were unbalanced and unrealistic, they still "imposed" them on the lower echelon.

Planning was too detailed at the input end, so if a basic unit wanted to change or adjust a norm it could do so only after submitting a request to the upper echelon and receiving its approval.

The old legal norm system included three norms:

The import index:

The import index (in terms of the two main kinds of money; in terms of Vietnamese money according to an internal settlement price ratio; and according to the two market zones).

Norms regarding the principal products and projects.

Profits and payments that must be made into the budget, including:

Profit earnings (recalculated according to the norms and implementation structures.

Foreign trade income and deficit disparities.

Two plans:

Legal plans.

Enterprise plans.

The order of planning: "two downs and one up:

The first "down": assigning control norms.

The first "up": plan reporting and plan defense.

The second "down": assigning official plan norms.

There was a cumbersome procedure of sending cadre teams to the units to verify plan fulfillment, in three cycles:

Cycle 1 (semi-official): team cadres went to the unit to carry out a preliminary survey.

Cycle 2: The verification team went to work officially at the unit to inspect and confirm the degree of plan fulfillment.

Cycle 3: Consultation between the upper-echelon management organs and the state combined management organs with regard to bonuses for the units, so the bonuses were often late and stretched out and their effect was limited.

b. The new mechanism:

Plans are drafted and synthesized from the basic level up, combined with guidance from the top down.

The upper echelon does its planning (by means of a system of legal norms) on the basis of the situation and capabilities to balance the plan.

If aspects or norms are not clear, are not grasped, and there are no conditions for balancing them, the basic level must be assigned responsibility for them.

The material conditions corresponding to the missions assigned are made public before the control norms are assigned.

The system of norms, standards, accounting policies and regulations, and the economic information needed to ensure that the basic level can meet its own needs and operate in the orbit of the state is made public in advance.

The system of legal norms is improved and streamlined, and is accompanied by strengthening guidance, control, and supervision by means of a system of economic levers, economic contracts, credit, export-import taxes, etc.

The new system of legal norms consists of from one to three of the following norms:

An export index (minimum level).

An export index (maximum level), in terms of the two principal types of foreign exchange and according to the two market zones, including the Soviet market.

Norms regarding the principal groups, products, and projects (reduced in number).

Profits that must be paid into the budget.

The unified plan is divided into two parts:

The legal part (for which the state provides the principal material conditions).

The supplementary part (balanced by the unit itself).

The order of planning: two upwards, two downwards.

The first "downward": guidance norms plus the material conditions which the upper echelon is responsible for providing.

The first "upward": drafting the plan and defending it before the upper echelon.

The second "down": assigning official plan norms, accompanied by material conditions corresponding to the missions that have been assigned.

The second "upward": on the basis of the legal norms that are assigned legal plans, the unit adds additional plan missions if new capabilities for supplying materials appear, and report them to the upper echelon so that they can be incorporated in the over-all plans.

A council has been organized to verify the fulfillment of plans, with simple, practical, and timely reporting and verification features.

During the stipulated period the export-import unit drafts a report and sends it to the upper echelon and to the combined state management organs.

During the stipulated period, with the participation of the combined management organ and the upper-echelon management organ so that they can organize verification (if necessary, the export-import unit should be allowed to present its case), and the unit should be informed of the results of plan fulfillment verification and the corresponding amount of bonuses (or fines).

On Doing Business

a. The old mechanism:

The mode of doing business was monotonous and poor, and completely dependent on orders from the upper echelon. The upper echelon decided where the unit was to buy and sell, on which markets, and at what prices, while the export-import unit was only responsible for organizing implementation.

The true nature of importing was the distribution of goods by means of capital borrowed from the state and state grants. Therefore:

The export-import units only imported as ordered by the state.

Even though it knew that the ordering unit did not yet have funds, it still had to accept delivery of goods and deliver them.

b. The new mechanism:

The way of doing business is flexible.

With regard to the Zone 1 market, within the framework of commitments and state protocols, the units have the responsibility and obligation of fully implementing the contracts that have been signed. In addition, the units may take the initiative in improving variety, models, specifications, etc., in order to increase the value of export goods, and will be regarded as having over-fulfilled their state plans.

Furthermore, after calculating capabilities for fulfilling their missions, in accordance with the state plan norms, the export-import units may sign and implement contracts outside the protocols of the state. They will also be regarded as having surpassed the plan norms assigned them.

With regard to countries outside the socialist sector, the export-import units are responsible for fulfilling their obligations to export in order to repay debts, if assigned that mission by the state. Furthermore, the units may take the initiative in selecting and changing markets, selecting the commercial mode, and determining the most effective type of foreign exchange for making payments that are most effective for the unit's business.

The units are authorized to sign economic contracts with the central state production installations and with key local units to purchase, contract out, and exchange goods in order to mobilize export goods in accordance with plan norms assigned by the state. They also have the right to refuse to sign contracts with economic organizations which do not fulfill the obligations assigned by the state, and to report to the upper-echelon organ or the arbitration organs at all levels so that they can make decisions.

Importing on commission: the customer units may use foreign exchange it earns, or use its own capital in Vietnamese money to buy foreign exchange from the Bank (in the case of state retail goods), or from the Ministry of Finance (with regard to borrowed goods) so that it can be transferred to the export-import units to pay foreign countries. In such instances, the export-import units are only agents which receive commissions, mostly in Vietnamese money and in part in foreign exchange, in amounts stipulated by the state.

In the case of importing as ordered by the state or the upper echelon, the capital will be provided by the state and the upper echelon.

On Domestic Prices

a. The old mechanism:

The buyer and seller were not allowed to determine the prices, which were determined by a third party on the outside.

b. The new mechanism:

The buyer and seller may negotiate prices within the following spheres:

Guidance prices, with regard to key products under the unified management of the state.

Standard prices or guideline prices of the price commissions at all levels.

In the sphere of settlement price ratios according to the product group that has been approved.

On External Prices

a. The old mechanism:

In general, there was superficially a decentralization, but the upper-echelon management organ still made the decisions.

With regard to the socialist market:

According to the previous year's price.

According to a sliding price scale.

b. The new mechanism:

With regard to the socialist market:

A sliding price scale over a 5-year period.

Stabilized prices based on commercial treaties between the two countries.

With regard to the nonsocialist market.

With regard to the key products under the unified management of the state or which are exported and imported jointly by many units:

Maximum prices (with regard to imports).

Minimum prices (with regard to exports).

With regard to other products, the units are provided price information so that they can set their own prices.

On Ship Chartering

a. The old mechanism:

The export-import units were only concerned about signing and carrying out foreign contracts. The Foreign Trade Transportation General Corporation was responsible for chartering ships to bring goods to Vietnam or export them to foreign countries, including the payment, in foreign exchange, of foreign exchange, of foreign transportation organizations.

b. The new mechanism:

With regard to the socialist market, the export-import units respect the buying, selling, and transportation modes stipulated in the general conditions regarding the delivering, receiving, and paying for goods among the CEMA nations, and must pay transportation fees (especially those paid in capitalist foreign exchange).

With regard to the nonsocialist market, if it has a large volume of goods and sufficient shipping capacity, the export-import unit may take the initiative in contacting maritime transportation organizations and ship chartering organizations to charter ships to transport goods in accordance with the commitments made to the foreign customer.

Priority must be given to chartering ships domestically, but if the domestic ship owners cannot provide ships that can transport goods in accordance with the commitments made to foreign countries or demand higher fees than foreign countries, the export-import unit may charter foreign ships.

On Complaints and Requests for Compensation From Foreign Customers

a. The old mechanism:

The units could not take the initiative in compensating foreign countries, but had to have the approval of the upper echelon.

Compensations were made for losses as they occurred, and ultimately were paid from the state budget.

b. The new mechanism:

The units may take the initiative in making compensation to settle complaints from foreign countries, within the norm regarding the percentage ratio, from the export foreign exchange earnings (Vietnamese money may be obtained from the production costs of export goods) to set up a reserve fund, and must bear the consequences if the norm is exceeded.

They are encouraged to demand compensation for goods imported form abroad, in order to defend the legitimate rights of the nation.

On the Financial Mechanism

a. The old mechanism:

The export-import units had no rights or responsibilities in effectively managing capital.

There was created the attitude of depending on the upper echelon and of not being concerned with developing sources of income and economizing on expenditures, and the basic units were not encouraged to take commercial effectiveness into consideration in their operation, operations, for they were not rewarded for operating profitably. On the other hand, ultimately the state had to make up for all losses.

There were the phenomena of both excessive concentration and restriction and of relaxing guidance of the basic units, so no conditions were created for them to become dynamic and creative and they were not required to do so.

b. The new mechanism:

Creates financial resources and gives the basic units true financial autonomy end full rights and responsibilities, so that they can carry out all commercial and production activities, even those regarding unforeseen incidents, without waiting on or depending on the state and the upper echelon, in order to ensure stable and increasingly greater incomes for the state budget.

1. Circulating Capital and Its Management

b. The old mechanism:

There was no initial circulating capital.

There was no right to create or supplement capital.

Conditions for expanding the operational scale of the basic units did not depend on their commercial activities. The basic units were entirely dependent on the framework of capabilities for granting capital from above (with regard to non-commodity capital), or on the capability of the Bank to provide credit (commodity capital).

Every year there was a review of the capital norm so that supplementary capital should be granted.

Capital could only be used for a certain purpose and not commingled with other capital.

b. The new mechanism:

Makes possible initial circulating capital.

Vietnamese money and the right to use foreign exchange comes from the following sources:

Budgetary grants: 50 percent of the capital norm, granted only once.

Capital added by the unit every year (over a 5-year period) by means of a fund to encourage the development of foreign trade.

Capital borrowed from the bank.

The debt norms.

The review of annual circulating capital norms is abandoned. The unit examines its need for capital increases so that it can supplement its capital by means of the fund to develop foreign trade, which derives from the unit's share of profits and capital borrowed from the bank.

Units may flexibly use their self-generated capital fund to develop and expand commerce and production, with the condition that they repay those funds when there is need for them.

2. The Foreign Exchange Submission System

a. The old mechanism:

All foreign exchange that was earned was submitted for use in over-all plan balancing.

All needs for foreign exchange expenditures were approved by the state, which issued the foreign exchange.

b. The new mechanism:

The system of "turning over all earnings to the state" is abandoned.

Only surplus foreign exchange earned by exports is used for over-all plan balancing. The surplus is incorporated in plans, as are the idle foreign exchange accounts (the right to use foreign exchange). In other words, the state many use it but must repay it when the party which has the right to use the foreign exchange needs it.

When earning foreign exchange, the units continue to deposit foreign exchange into the bank, but retains the right to use the foreign exchange when it is needed to pay foreign countries. The units use internal and borrowed capital to purchase the foreign exchange that is distributed as stated above.

3. The system for managing the use of foreign exchange.

a. The old mechanism:

Foreign exchange was issued for each transaction approved by the upper echelon.

b. The new mechanism:

Expense accounts are approved for the export-import units so that they can pay for sending cadres on short-term assignments abroad, such as doing business, negotiate, and sign economic contracts visits to survey and study the market, etc.

4. Import Capital

a. The old mechanism:

All such capital (including commodities and debts) was borrowed from the bank.

The state distributed quotas to the importers, but the general corporation represented them in taking out a loan from the bank to buy the foreign exchange authorized to the importer.

b. The new mechanism:

The import capital for stockpiling raw materials and materials to meet the needs of commerce, production, and contracting by the units is determined and invested as in the case of export capital.

In the case of importing in accordance with orders from importers, the central export-import units are authorized to use the foreign exchange of the importing units.

5. The Internal Account Balancing Price Ratio:

The old mechanism:

A fixed, rigid internal account balancing price ratio was used, along with hundreds of foreign trade price disparity supplements, which in fact were hundreds of secondary price ratios which were approved every year.

All foreign trade earnings and price disparity supplements, including norm adjustments, were concentrated in the state budget.

b. The new mechanism:

A system of payment price ratios for export and import groups (categorized for market Zones I and II) is approved for the export-import units, combined with export-import taxes and export-import subsidies, and are periodically adjusted, depending on changes in products and prices, so that they can be appropriate, in order to ensure that the export-import units can practice economic accounting and not suffer losses in their business.

The foreign trade bank immediately deposit money earned form export sales at the payment price ratios that have been approved for each group of products, the disparity between the internal account balancing price (if any) and the account balancing price of each product group, as determined by the financial and banking organs.

On the basis of the settlement price ratios that have been approved for each product group, the export-import units may make adjustments among the various kinds of products, among markets in the zone, and among localities all over the country, provided that the over-all price ratio that has been approved is maintained.

The price payment ratios based on product groups implemented by means of the state banking system at the time when the foreign exchange is transferred abroad, so that the goods can be imported.

6. Credit:

a. Old mechanism:

The issuing, lending, and management of capital were responsibilities of different organizations, so only one economic organization required capital but three functional organs (the managing upper-echelon organ, the financial organ, and the banking organ) exercise supervisory functions monetarily, so the basic units had no right of financial autonomy.

Only one revolving loan fund was used, with no clear delineation between loans, money from the sale of goods, and debt payments, depending on the management of the basic unit directors.

With the system of lending 100 percent of the capital, it appeared that the need for capital to serve commerce and production had been satisfied, but in fact the system was restrictive and rigid, involved much red tape, and neglected the management of capital, so the basic unit directors had neither authority nor full responsibility in using capital. Even though they did not like the red tape and the arrogance on the part of some bank cadres, they did not want the credit system changed because all of their capital needs wee generously "subsidized," even in instances in which business was done with no consideration for cost.

b. The new mechanism:

In addition to the initial capital supplied by the state, the unit is allowed to create its own capital by means of a fund to encourage the development of foreign trade and credit capital from the banks (including foreign banks, if authorized by the state).

The export-import units are allowed to select a form of credit that is appropriate to its commercial-production situation and management level. Those forms include:

A revolving loan account (also called a special account). The unit does not have to submit an application every time it requests a loan, but only needs submit the necessary accounting documents to the bank serving it. On the basis of the quarterly credit limit stated in the credit contract, the bank pays the loan money directly to the seller.

Debts are collected from receipts for the sale of goods (calculated according to their costs), or from monetary payments made at regular 3 to 5 day intervals.

The loan procedure is simple: every time there is a need for capital the unit must make a loan application (a loan contract). The bank makes the loan after reaching agreement with the borrowing unit with regard to the length of the loan, payment of the debt, and the interest rate.

Profits and Profit Distribution

a. The old mechanism:

Because there were as yet no profit norms, it was necessary to temporarily use the foreign trade price disparity subsidy as the basis for evaluating the attainment of legal norms, in place of the profit norms.

But the foreign trade price disparity payments were for disparities between the domestic and foreign price systems, so they could not be the basis for evaluating the accomplishments of the export-import units.

Therefore, many units still misunderstood such accomplishments and demanded many benefits for having earned large profits (in fact, they were the difference between the two price systems), especially when they received consumer goods with high price disparities.

On the other hand, there were many units which still had complexes about losses (which in fact were shortfalls because of price disparities) in exporting, and in fact encountered unnecessary difficulties in the process of requesting deficit payments and bonus payments.

Some units followed the self-exporting, and self-balancing (with regard to materials and finance) system, but were balanced be being able to import consumer goods, which led to the situation of which led to the situation of raising the prices of export goods in competing to buy such products, so that they could import consumer goods with high price disparities and make profits not by production but by circulation (without export-import prices), thus upsetting the market and prices.

All profits earned by the units, except for a small part retained by them to set up three enterprise funds, were paid into the state budget, after which funds were paid out from the state budget to meet the capital needs of the basic units.

Chart 1 System of Distributing and Using Profits (Official Letter 91 TC/TNVT, dated 17 Feb 1986, and Official Letter 162 TC/NTNT, dated 18 Mar 1986, applied only during 1986).

<table>
<tr><td rowspan="3">(1) LỢI TỨC THỰC HIỆN KẾ HOẠCH PHÁP LỆNH</td><td rowspan="2">(2) Lợi nhuận trong mức K.H.</td><td rowspan="2">(3) Lợi nhuận định mức
– 1% trên doanh số X.K (FOB)
– 0,5% trên doanh số nhập (CIF)</td><td>(4) Dành lại cho đơn vị bằng 150% quỹ lương cơ bản thực hiện trong năm KH</td><td>(5) Phân phối cho 2 quỹ
– 30% quỹ phúc lợi
– 70% quỹ khen thưởng</td></tr>
<tr><td colspan="2">(6) Số còn lại nộp vào ngân sách</td></tr>
<tr><td>(7) Lợi nhận thực hiện vượt mức kế hoạch</td><td>(8) Vượt chỉ tiêu pháp lệnh:
<i>a. Xuất khẩu</i>
– Vượt 1–5%. được trích 2%
– Vượt 5–100% – 3%
– Vượt trên 100% – 4%
trên số ngoại tệ quy đổi ra tiền Việt Nam
<i>b. Nhập khẩu</i>
– 0,5% trên số ngoại tệ giảm giá so với giá quốc tế được Bộ Ngoại thương xác nhận</td><td colspan="2">(9) 40% nộp ngân sách
(10) 60% phân cho 3 quỹ
(13) Nếu quỹ khen thưởng được trích vượt từ trên 30% quỹ lương cơ bản thì phần vượt này phân phối vào các quỹ sau:
– Nộp ngân sách: 50%
– Nộp quỹ dự trữ cấp trên: 20%
– Quỹ XN: 30%</td></tr>
<tr><td colspan="2" rowspan="2">(11) Lợi nhuận ngoài chỉ tiêu pháp lệnh</td><td>(12) Lợi nhuận đối với khu vực I</td><td colspan="2">(14) 40% nộp ngân sách
60% cho 3 quỹ X.N.</td></tr>
<tr><td>(15) Lợi nhuận đối với khu vực II</td><td colspan="2">30% nộp ngân sách
70% cho 3 quỹ</td></tr>
</table>

Key:
1. Income earned in implementing leal plan
2. Profits within scope of plan
3. Profit Norms:
   --1% of export income (FOB)
   --0.5% of import income (CIF)
4. Retained by unit: a sum equal to 150% of the basic salary fund during the plan year
5. Distribution to 2 funds:
   --30% to the welfare fund
   --70% to the bonus fund
6. The remainder submitted to the budget
7. Income earned beyond the plan
8. Beyond the legal norms:
   a. Exports: If the norm is surpassed by 1 to 5%, 2% may be deducted
      If the norm is surpassed by 5 to 100%, 3% may be deducted
      If the norm is surpassed by more than 100%, 4% may be deducted (foreign exchange equivalent in Vietnamese money)

[key continues on following page]

b. Imports
0.5% of the differential vis-a-vis international prices, as verified by the Ministry of Foreign Trade
9. 40% distributed to budget
10. 60% distributed to 3 funds
11. Profits beyond the legal norms
12. Profits from Zone I
13. If the bonus funds deducted exceed the basic salary fund by more than 30%, the excess is distributed to the following funds: Distribution to budget: 50%; Distribution to the upper-echelon reserve fund: 20%; enterprise funds 30%
14. 40% distributed to the budget, 60% to the 3 enterprise funds
15. Profits from Zone II
16. 30 % distributed to budget; 70% to the 3 funds

The fund to encourage foreign trade stipulated the following:

Of the FOB earnings 0.5 percent (including legal norms and guidance norms), in terms of Vietnamese money at the ratio of 18 dong per U.S. dollar.

Of the CIF purchase prices of import goods 0.015 percent (including import norms based on legal norms and guidance norms) in terms of Vietnamese money, at the internal account balancing ratio of one dong per ruble or U.S. dollar.

b. The new mechanism:

The profit norm is separated from the foreign trade price disparities payments, so that all units can earn high and legitimate payments from the results of their commerce, and cannot wait on, depend on, or have a complex about price disparities.

The payment price rations for export product groups and import product groups (divided between the two market zones) are approved for the units, combined with export-import taxes and export-import subsidies, which are periodically adjusted, on the basis of changes in prices, in order to ensure that the export-import and commercial accounting and not suffer losses, provided that they correctly implement the price policy and the foreign trade and foreign exchange management systems of the state.

Increasing the part of the profits retained for use by the basic units manifests the policy of expanding their right of financial autonomy.

Chart 2 Profit Distribution

<table>
<tr><td rowspan="8">(1) LỢI NHUẬN THỰC HIỆN KẾ HOẠCH PHÁP LỆNH</td><td rowspan="4">(2) LỢI NHUẬN TRONG MỨC KẾ HOẠCH</td><td colspan="2">(3) 50% nộp vào ngân sách.</td></tr>
<tr><td rowspan="3">(4) 50% dành lại cho đơn vị XNK</td><td>(5) Các khoản nộp phạt...</td></tr>
<tr><td>(6) 35 – 50% dành cho quĩ phát triển ngoại thương. trong đó 1 – 3% dành cho quĩ dự trữ tập trung của cơ quan quản lý cấp trên.</td></tr>
<tr><td>(9) 1% cho Quĩ Bộ trưởng
2/3 số còn lại: Quĩ khen thưởng
1/3 số còn lại: Quĩ phúc lợi</td></tr>
<tr><td rowspan="4">(11) LỢI NHUẬN VƯỢT MỨC KẾ HOẠCH</td><td colspan="2">(7) 20% đen 40% nộp vao ngan sach</td></tr>
<tr><td rowspan="3">(8) Từ 60% đến 80% để lại đơn vị</td><td>(10) Các khoản nộp phạt...</td></tr>
<tr><td>(12) 35% đến 50% cho Quỹ phát triển ngoại thương trong đó có 1 – 3% cho quĩ dự trữ tập trung của cơ quan quản lý cấp trên.</td></tr>
<tr><td>(13) 1% dành cho Quỹ Bộ trưởng
2/3 số còn lại: Quĩ khen thưởng
1/3 số còn lại: Quĩ phúc lợi.</td></tr>
</table>

Key:

1. Profits from implementing legal plans
2. {rpfots wotjom tje [;am
3. 50% distributed to budget
4. 50% wet aside for the export-import unit
5. Penalty payments
6. 35 to 50% set aside for the foreign trade development fund, including 1 to 3% set aside for the centralized reserve fund of the upper echelon management organ
7. 20 to 40% distributed to budget
8. 60 to 80% set aside for the unit
9. 1% for the minister's fund; remaining 2/3: bonus fund; remaining 1/3 welfare fund
10. Penalty payments
11. Profits beyond the plan
12. 35 to 50% of the foreign trade development fund, including 1 to 3% for the centralized reserve fund for the upper echelon management fund
13. 1% for the minister's fund; remaining 2/3: bonus fund; remaining 1/3: welfare fund

If the bonus and welfare funds exceed 50 percent of the basic salary fund, guidance will be based on guidance by the Ministry of Finance.

On Organization, Labor, and Salaries

The old mechanism:

The management structure was based on functions:

Every individual and leadership echelon had equal authority according to their functions, but only carried out missions relevant to their functions.

Good point: Authority was given to highly specialized cadres and specialists.

Weak points: The objects of management had to accept the leadership of too many intermediate levels. If there was no clear division of labor and decentralization,the result was getting in one another's way and even nullifying one another.

There was no decentralization of management cadres.

All recruitment, elementary and supplementary training, salary increases, commendations, disciplining, dismissals, etc., were decided by the upper-echelon management organ and the basic units were only responsible for carrying out all missions.

The upper-echelon management organs controlled the number of employees and the salary funds of the basic units.

The new mechanism:

The management structure is based on direct line of responsibility, in which:

The decision-making right is set aside for the upper-echelon leader or leadership echelon.

The export-import units are managed by only one management organ at the next highest level (in the case of central units, the managing ministry, or in the case of local export-import units the provincial or municipal people's committee).

The combined management (planning, statistics, financial, and banking) organs only perform joint management functions in supervising, inspecting, and disposing off matters relevant to their economic management functions, and may not intervene in the business activities of the export-import units.

There is a decentralization of management cadres.

The directors of export-import units are authorized to recruit, train, promote, increase salaries, make commendations, discipline, and dismiss workers below the level of office head (or corresponding levels), on the basis of state laws and trade union laws.

The upper-echelon management organs may only approve salary funds on the basis of norms, units prices, and the results of the export-import units' commerce and production, in order to ensure the principle that the increasing of the salary fund must correspond to the increase in labor productivity and the increase in the unit's index.

The export-import units may take the initiative in calculating the planned salary fund on the basis of the state salary steps and salary charts and on unit prices.

The units may take the initiative in applying the forms of paying bonuses and expanding the forms of contracted-out salaries and piecework salaries (there is no maximum income for workers because increases in income depend on the results of increasing labor productivity).

5616
CSO: 4209/112

BRIEFS

NHAN DAN SCORES U.S. ARMY CHIEF'S VISIT--Vietnamese leading national paper NHAN DAN Tuesday [18 November] says the Asia-Pacific strategy being carried out by the United States aims at rallying all reactionary forces to serve its imperialist interests and spearheading at the Soviet Union, Vietnam, and other socialist countries and the movement for peace, national independence, democracy in the region. The paper says: The visit to China by the commander-in-chief of U.S. Ground Forces on 16 November following the visit by U.S. Defense Secretary Weinberger, the port call of three U.S. warships to the Qingdao Island of China showed that the United States is feverishly carrying out its Asia-Pacific strategy. [Text] [Hanoi International Service in English 1000 GMT 18 Nov 86 BK] /12858

CULTURAL GROUP TOURS SOVIET UNION--Hanoi, 19 November (VNA)--The "Lighthouse" art variety troupe from the Vietnam central coastal province of Phu Khanh has made a fortnight performance tour of the Soviet Union. The 26-member troupe with a large repertoire of folk songs and dances was given a good hand in Moscow and other cities. [Text] [Hanoi VNA in English 0715 GMT 19 Nov 86 OW] /12858

CHINH CONGRATULATES SWEDISH WORKERS' PARTY--Hanoi, 19 November (VNA)--Truong Chinh, general secretary of the Communist Party of Vietnam Central Committee, has sent congratulations to Rolf Hagel on his re-election as chairman of the Swedish Workers' Communist Party (APK). The message wishes the APK leader success in his noble mission, and the solidarity and friendship between the two parties and peoples constant consolidation and development. [Text] [Hanoi VNA in English 1445 GMT 19 Nov 86 OW] /12858

EARTH RUN LEAVES HO CHI MINH CITY--Hanoi, 20 November (VNA)--The first Earth Run for peace and the future of children the world over left Ho Chi Minh City for Bangkok this afternoon after a five-day stay in Vietnam. While here, the peace torch was warmly welcomed by thousands of people of Hanoi and Ho Chi Minh City. The Vietnamese party and government expressed high appreciation of the UNICEF initiated first Earth Run for peace. Many meetings, art performances and other functions were held by the Vietnam Peace Committee, the Vietnam International Year of Peace, and the People's Committees of Hanoi and Ho Chi Minh City in honour of this event. Together with the team accompanying the torch to Vietnam, Paul-Louis Adudat, UNICEF's representative in Vietnam, attended these activities and contributed to the success of the first Earth Run in Vietnam. [Text] [Hanoi VNA in English 1504 GMT 20 Nov 86 OW] /12858

LAO NATIONAL DAY--On the occasion of the 11th LPDR National Day, the Propaganda and Training Department of the CPV Central Committee recently held a conference of lecturers of provinces, cities, anc central organs. The conference heard a report on the brilliant result of the fourth LPRP Congress, the LPDR's recent great successes, and the constant strengthening and development of the special relations of solidarity and friendship between the parties and peoples of Vietnam and Laos. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 1 Dec 86 BK] /9738

SOVIETS PRESENT LENIN PRIZE--On the evening of 1 December, by order of the CPSU Central Committee and the USSR Council of Ministers, Soviet Ambassador to Vietnam Kachin held a ceremony in Hanoi to present Professor Nguyen Van Hieu with a honorary degree and the Lenin Prize medal. Speaking at the ceremony, Ambassador Kachin highly appreciated Professor Nguyen Van Hieu's contributions to scientific research and to strengthening the friendship and close relations and cooperation between the Soviet and Vietnamese people and scientists. In his reply, Professor Nguyen Van Heiu expressed his appreciation for the honor of being awarded by the Soviet Government and people the coveted prize for scientific work named after Lenin, the great leader of the working class. He sincerely thanked the Soviet Academy of Sciences, various scientific organs, and Soviet scholars for their great and whole hearted assistance to the Vietnam Institute of Sciences in its scientific research in service of the country. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 1 Dec 86 BK] /9738

CSO: 4209/159

PROGRESS OF CAO BANG PARTY ORGANIZATION NOTED

Hanoi NHAN DAN in Vietnamese 15 Oct 86 p 3

[Party Building column: "Economic-Social Missions and Goals of the Cao Bang Party Organization"]

[Text] During the past 5 years (1981-1985) the Cao Bang party organization, carrying out the two strategic missions under the difficult, complicated circumstances of a mountain-region border province, brought about a new transformation in its revolutionary consciousness and actions, and gave rise to many positive factors which had the significance of creating momentum toward attaining economic-social stability during the coming period.

Outstanding advances were made in agricultural and forestry production. The principal crops increased considerably with regard to area, yields, and output. During the 5-year period the total grain output increased from 110,000 tons (1981) to 150,000 tons (1985). In 1985 the outputs of some short-term industrial crops attained the highest levels ever. Tobacco production increased from 312 tons in 1981 to 1,600 tons in 1985. Soybean production increased from 2,928 tons to 4,700 tons. Thanks to increased production, every year the province purchased more grain, tobacco, and soybeans than prior to 1980.

Animal husbandry developed, the number of water buffaloes increased by an average of 3.6 percent, cattle increased by 4 percent, and hogs increased by 5.9 percent. The ratio of crossbred hogs increased from 1 percent to between 7 and 10 percent in 1985, and is intending to develop rapidly.

With regard to agriculture, previously about 2,000 hectares were afforested, but in 1985 8,380 hectares were afforested. During the 1984-1985 period 6,000 hectares of tung trees were planted. The districts turned over 23,000 hectares of forest land to the villages, cooperatives, collectives, and families, to be managed and exploited according to plan.

In comparison to the pre-war period (February 1979), industrial, small industry, and handicraft production developed, additional installations were built, and additional products were manufactured (hand-held agricultural implements, artificial leather, hats, latex sandals, glassware, earthenware and porcelain, narrow-gauge cloth, mosquito netting, wash cloths, etc.). Attention was paid to meeting consumer needs according to the tastes of the ethnic minority people in the province, with emphasis on developing the local sources of raw materials and materials, gradually developing the districts, seeking the technical assistance of the central echelon and many other provinces, combining the capabilities of the state, the army, and the people, and creating a number of good models.

The material bases devastated by the warfare in February 1979 were restored and continued to be strengthened. During the past 5 years, hundreds of medium and small projects were constructed, with a capital expenditure of 445 million dong, to serve intensive cultivation, the industrial, cultural, and public welfare projects, etc.

With regard to circulation and distribution, the system of state retail facilities and marketing cooperatives, totaling 400 locations, was extended to villages in high-altitude border areas and contributed to enabling the state to gain control of goods and money to serve the production and life of the ethnic minority people. Every year, more than 10,000 tons of grain were mobilized, and in 1985 the state purchased nearly 3,000 tons of soybeans (compared to 1,600 tons in 1981), 1,183 tons of tobacco (214 tons in 1981), and 1,120 tons of pork.

Education and public health developed and the number of students in the various education sectors and at the various levels increased from 140,000 in 1981 to 193,000. Two hundred of the 215 villages had public health stations, 13 districts and cities had hospitals and drug stores, and some districts had regional hospitals.

With regard to the mission of defending the Fatherland at the front, the province concentrated its guidance on the fight to defend the integrity of the order, and build in increasingly stronger defensive status and security line.

Some of the deficiencies in the party organization's leadership and guidance were failure to understand clearly and fully carry out the contents regarding agriculture--the foremost front--failure to bring into play the combined strength of the entire system of apparatuses, and tardiness in improving working methods. There were still manifestations of the attitude of passivity and doing the easy and neglecting the difficult. The task of carrying out inspections in accordance with the program was still weak.

During the next 5 years, the Cao Bang party organization will concentrate its efforts on stabilizing production and living conditions, and on overcoming to a considerable extent the situation of excessive disparity in the working conditions among the populated areas in each cluster, district, and village. It will continue to carry out fixed cultivation and habitation, complete the restoration of and continue to build material-technical bases, continue to carry out the policy of restoring, consolidating, and perfecting the socialist production relationships in both the collective and state sectors, and fulfill the responsibility of the locality with regard to meeting the needs of consolidating national defense and security.

In arranging the production and investment structures, the party organization will resolutely carry out the policy of rearranging the economy and reorganizing production in the sectors and territorial areas, readjust in appropriate aspects of the production and investment guidelines, comprehensively develop agriculture, including agriculture, forestry, animal husbandry, and the processing industry, with priority with regard to capital, materials, and energy being given to agricultural production. The industrial, communications-transportation, circulation, and scientific-technical services will go all-out to serve agriculture, to ensure the attainment by 1990 of grain output amounting to 200,000 to 210,000 tons of grain--a per-capita average of 338 to 356 kilograms, and an average of 20 to 21 kilograms of meat of all kinds. Between 5 and 5.8 additional meters of cloth will be produced per person per year. On the average, each worker will invest 30 to 60 work-days a year in producing export goods and create for the province a value 3.4 times greater than in 1985. The province will pay more attention to developing subsidiary food crops, especially manioc and alpinia in order to fully utilize the existing alpinia noodle factories. Priority will be given to comprehensive investment to form at an early date a network of material bases to serve agriculture in all respects: irrigation, seedstock installations, crop and livestock protection, warehouses, rice mills, etc. The province will fully utilize the local sources of phosphate fertilizer and build privies, pig pens, and water buffalo-cattle pens to rapidly increase the supply of manure and promote the movement to process green fertilizer.

The province will being into play its strengths with regard to such short-term industrial crops as tobacco, soybeans, peanuts, and sugarcane; such fiber crops as cotton, jute, flax, hemp, and mulberry; and such long-term crops as tung oil trees, bamboo, tea, cinnamon, and anise on appropriate scales in each area. It will supplement the goods exchange policy to rapidly increase the output of industrial crops so that they can truly become increasingly larger sources for balancing and balancing grain.

The primary direction of forestry is to protect the existing forests and the new forests on former slash-burn land. The province will promote the assignment of land, with clear guidelines, to the cooperatives, the people, and the armed forces so that they can mange, protect, and economically develop the hilly forest land and provide part of their cooking fuel. The people will be guided in planting manioc and upland rice along the lines of creating terraced rice fields in order to facilitate long-term cultivation, fight erosion, and greatly reduce the destruction of forests to grow rice. The province will renovate the organization of forestry production, encompassing all phases: afforestation, tending, improving, protecting, and exploiting. Economic locations which combine agriculture, forestry, and the processing industry will be formed, and socialist economic-commercial accounting will be instituted. State forest plans will be drafted; there will be a rational policy to bring most of the people covered by the fixed cultivation and habitation campaign into developing the potential of forests and forest land and to plant timber trees and special product trees; agricultural production will be combined with forestry and cultivation with animal husbandry; the short-range will be used to nourish the long-range; and forestry products will be used to serve exports and the processing of forestry products and agricultural products.

Local industry, small industry, and handicrafts will be developed, above all to meet the needs of the all-round development of agriculture, produce additional consumer goods, create sources of export goods, and increase local budgetary income. The province will invest in the construction of a number of installations to make leather goods, produce sugar, and process bamboo, and will restore or build a number of electric power installations, especially hydroelectricity installations, to promptly attain and surpass the pre-war electricity output. Efforts will be made to enable all districts to have electricity generating plants to serve production and life.

The production of the machinery sector will be reorganized and the capability of the construction materials production sector, including the state and collective installations and the army units, will be restored and developed. The cement plant will attain an output of 5,000 tons by 1990. The brick-and-tile, carbon powder, and calcium carbide production enterprises will be restored and the scale of slab stone and pumice stone production will be expanded. Efforts will be made to, by the end of the plan period, essentially meet the needs for the various kinds of construction materials in the locality.

The communications-transportation and posts-telecommunications capabilities will be strengthened. In coming years, the province will do a better job of carrying out the slogan of the people, the state, and the army working together, keep the roads open, and develop rural roads and the production of the various kinds of improved nonmotorized facilities.

In capital construction, the slogans of in-depth, complete investment, definitive concentration, and attaining effectiveness, timeliness, and practicality will be well implemented. The sources of state capital, enterprise capital, and collective capital will be developed and priority in investment will be given to the key construction projects and the key areas, especially the need to develop agriculture. The system of agricultural services and small water conservancy works, the electricity grid, the processing installations, the system of warehouses, stores, rural roads, drinking water in high-altitude areas, etc., will be completed.

A population plan will be implemented and jobs will be provided for workers. Efforts will be made to lower the rate of population increase from 1.9 (1985) to 1.7 (1990). The district will be made the echelon for reorganizing production and creating additional jobs for workers along the lines of commerce combining agriculture and forestry, developing small industry and handicrafts, expanding the network of services in the cities and towns, encouraging the development of the family economy, and emphasizing the border districts and the high-altitude areas in which the people practice shifting cultivation and habitation.

The province will master circulation and distribution and strengthen the organized market so that it can account for an increasingly larger percentage of goods and be sufficiently strong to control the social market. The state will exercise a monopoly in commercial dealings in grain and a number of principal agricultural products, such as tobacco, raw materials for export, and strategic materials. State and collective commerce will be developed and consolidated, and the organizational and professional levels of the cadres and personnel engaged in buying and selling, controlling goods and money, and managing the market will be raised. The mode of economic activity will be improved to ensure that the state controls goods at the source and distribute materials and goods to the consumers. Competition in buying and selling will be forbidden. The market management measures will be strengthened and the registration and industrial-commercial management of private merchants will be carried out well. Economic sabotage activities, speculation, black marketing, collusion, and the theft of goods and slipping them from the state economic sector to the outside.

The province will strictly carry out the stipulations of the state regarding division of labor, decentralization, and price management, and the management of cash expenditures and budgetary expenditures. The people's idle money will be mobilized and the circulation of money will speeded up.

Solid sources of export goods will be created, and concentrated, intensively cultivated areas will gradually be formed to ensure high yields and quality of a number of principal products, such as tung oil, bamboo, soybeans, peanuts, and valuable medicinal crops. By 1990 the total value of exports will increase by three or four times over the present level.

The quality of cultural-social activities will be improved. The material bases of schools will be rapidly strengthened, with special attention being paid to schools for teenagers in high-altitude areas and facilities for caring for children of day-care center and nursery school age. The quality of cultural-artistic activities will be improved and the implementation of social policies will be organized. The contents of the "new life convention" will be drafted and the bad, backward customs among all strata of the people will be stopped and repulsed.

Attention will be paid to political, ideological, moral, and legal education in the schools. More attention will be paid to education about traditions, a revolutionary museum will be built in the province, tradition centers will be built in the provinces, tradition centers will be built in the districts and cities, and tradition rooms will be built in the localities and units.

The material bases of the provincial, district, and village public health network will be consolidated and strengthened. the province will apply the viewpoints of preventive medicine and of combining modern medicine with traditional ethnic medicine, and will do a good job of initial health care, sanitation, and disease and epidemic prevention. It will develop the growing and processing of existing local medicinal plants, and improve the quality of physical education and sports activities.

The province will bring into play the key role of the scientific-technical revolution, and further the development of the new production relations.

In future years, so that the state economy and the collective economy play the leading roles, it will rearrange and reorganize production, strengthen the material-technical bases and the application of technical advances, renovate technology, rectify the organization of management, shift over completely to socialist commercial accounting and improve the quality of collective economic management, urgently consolidate and perfect the new production relations in agriculture, ensure that production forces, and continually consolidate the new socialist production relations. It will especially pay attention to using technical labor, and especially to all-round investment in the spheres of agriculture and forestry, to attain the economic-social goals that have been set and organize the rapid application of the agenda to apply science and technology to production and life and renovate management. The province will organize the carrying on of, and build on, the accomplishments that have been attained in intensive cultivation to increase rice, corn, soybean, and livestock production. Experiences will be disseminated to the working masses, the leadership cadres, and the basic-level management cadres.

The motive force of mastership by the working people will be brought into play and the responsibility an authority of the basic level and the echelons and sectors in renovating the management mechanism and promoting the three revolutions will be brought into play.

Attention will be paid to doing a good job of carrying out the economic information work and of leading and guiding socialist emulation in all spheres of activity to evoke enthusiasm on the part of the people.

The battlefield status of defense, vigilance, a high degree of combat readiness, and victorious combat will be strengthened. Negative social phenomena will be repulsed and eliminated, on the basis of doing a good job of combining politics, economics, national defense, and security. We will continue to consolidate and build up the people's war status, strengthen national defense by all the people, be concerned with consolidating and building comprehensively strong armed forces and do a good job of combining the economy with national defense, national defense with the economy, national defense with security, and security with national defense.

With regard to improving the leadership capability of the party organization and the effectiveness of management by the governmental administration and mass proselytization, we will concentrate on doing a good job of fulfilling the mission of consolidating, restoring,and perfecting the mass organizations at all levels and in each unit, and of promoting propaganda and education among the ethnic minority people so that they can have socialist consciousness, clearly realize the dangerous nature of the enemy, unite, be vigilant, and endeavor to victoriously fulfill both missions: building and defending the socialist Fatherland.

All party committee echelons will pay full attention to the work of consolidating the governmental administration from the provincial level down to the basic level, and allow of those activities to manifest the will of the party and represented in a concentrated manner the collective mastership right of the people.

We will implement well the policy of reducing the administrative overhead, perfecting the apparatus, improving the quality of the cadres and personnel, and ensure the implementation of the contents of the new management mechanism. The boundary between economic administration and the production-commercial management function of the basic units will be clearly distinguished. Especially, there will be concern for training the management cadres and personnel, and guidance of the basic echelon with regard to working methods will be strengthened.

Steps will be taken to resolutely end all negative manifestations among cadres and party members which harm, and create obstacles for, the movement and bringing into play the collective mastership right of the working people. First of all, we will emphasize resolving the negative problems which arise in the responsible organs, and maintain daily contact with the people, such as at stores, hospitals, bus stations, organs which manage real estate, recruit workers and students, and manage the buying and selling of materials, the control stations, etc.

It is necessary to maintain, and improve the quality of, the activities of the people's councils, and enable them to truly exercise the greatest possible authority at all echelons.

We will resolutely overcome the weaknesses and correct the deficiencies after the self-criticism and criticism campaign, improve political unanimity and moral in the party organization and among the soldiers and people, and create momentum for organizing the implementation of the party congress resolutions at all levels. Attention will be paid to creating rich educational forms that are appropriate to each category and ethnic group. There is a plan to assign responsibility to party members in guiding, and grasping changes in the thinking of, a certain number of people. The system of leadership cadres regularly meeting with the masses will be implemented. A self-reliant will and a spirit of courage in combat and persistence and diligence in labor.

We will do a good job of carrying out theoretical education, disseminating lines, carrying out the policy of the entire party doing ideological work, and smash all reactionary arguments and psychological warfare of the enemy.

We will deploy cadres in accordance with a new structure that is appropriate to the missions and goals set forth by the provincial party congress. Attention will be paid to arranging an economic management cadre structure that is appropriate to the economic structure and the production structure, especially with regard to the key economic sectors and the key areas and districts, and to observing the principle of "assigning people to jobs," not "assigning jobs to people."

The tasks of drafting cadre plans and and reducing the average age of key cadres at the basic level will be completed. We will continue to implement the contents of the campaign to build pure and strong party organizations, rectify the management of party members, and improve the quality of party chapter activities and self-criticism and criticism.

We will do a good job of defending the party, promoting the control work, and maintaining party discipline.

5616
CSO: 4209/138

HISTORY, FORMATION OF FATHERLAND FRONT REVIEWED

OW180921 Hanoi VNA in English 1445 GMT 17 Nov 86

[Text] Hanoi, 17 November (VNA)--The Vietnam National United Front (VNUF) which is the common name of all the front organizations founded and led by the Communist Party of Vietnam, is regarded as a factor for the triumph of the Vietnamese revolution over the past five decades.

The VNUF came into being on 18 November 1930, the day when the Standing Committee of the Indochinese Communist Party (now the Communist Party of Vietnam) issued a directive to establish the Anti-Imperialist League, the first organization of the front.

Fifty-six years have elapsed, through different historical stages, the front has constantly developed with different political programmes, and in different forms and names suited to each revolutionary stage.

During the 1930-31 period, the Anti-Imperialist League or the Indochinese Anti-Imperialist Front, which was set up on the basis of the Red Workers' and Peasants' Associations, to ferment a nation-wide anti-imperialist and feudalist revolutionary movement, whose peak was the Nghe Tinh Soviet Movement. [sentence as received]

In 1936-39 taking advantage of the proclamation of granting the right to freedom and democracy to its colonies by France's popular front, the Indochinese Communist Party (ICP) established the Indochinese Democratic Front to fight against the French colonialists for welfare and democracy.

In 1940, the Japanese fascists invaded Indochina. The French colonialists surrendered and later acted as the fascists' henchmen. Availing itself of this opportunity, the ICP founded the Viet Minh Front (The Front for Independence of Vietnam) rallying the Vietnamese of all walks of life in the campaign of fighting the French and Japanese fascists, in preparation for the general insurrection to seize power throughout the country in the August 1945 revolution, leading to the founding of the Democratic Republic of Vietnam (DRV) the first worker-peasant state in Southeast Asia, in 1945.

In 1946, at a time when the young DRV faced with untold difficulties and trials caused by external and internal enemies, the Vietnam National League (Lien Viet) was set up with a view to further broaden the national unity. Both the Viet Minh and Lien Viet served as the strong support of the newly-established revolutionary administration.

In 1951, the Viet Minh merged with Lien Viet into the Lien Viet front to rally and mobilize the entire people to concentrate all manpower and property for the success of the anti-French war of resistance.

Following the Geneva Agreement on Indochina (1954), the North of Vietnam was totally liberated, while in the South, the U.S. imperialists replaced the French colonialists to install a puppet administration to torpedo the Geneva Agreement in an attempt to perpetuate their division of the country and occupation of South Vietnam. In this junction, the Vietnam Fatherland Front (VFF) was formed in the North on 19 May 1955 aimed at uniting all national and democratic forces to fight for a united peaceful, independent, democratic and prosperous Vietnam.

On 20 December 1960, the South Vietnam National Front for Liberation (SVNFL) came into being to unite the people in the struggle against the U.S. imperialists and their henchmen, liberating the South and safeguarding the North, and proceeding to the complete reunification of the country.

At the climax of the spring 1968 uprising and offensive throughout the South, the Vietnam alliance of National, Democratic and Peace Forces (VANDFF) was founded to further promote the patriotic movements in southern urban areas controlled by the U.S. aggressors and the Saigon puppet regime, intensifying the strength of the people's unity for national salvation.

Following the great 30 April 1975 victory, the country was reunified named the Socialist Republic of Vietnam. The three fronts in Vietnam, namely the VFF, the SVNFL and the VANDFF merged into the Vietnam Fatherland Front in February 1977.

The Vietnam Fatherland Front now rallies people of all walks of life, of all ethnic groups and religions, from the centre to the grassroots to strive to successfully build socialism and firmly defending the country.

/12858
CSO: 4200/147

COMPLETION OF BASIC-LEVEL PARTY CONGRESSES PRAISED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 3 Oct 86 pp 1, 4

[Editorial: "A Step Forward of Decisive Significance"]

[Text] At present, nearly all of the basic party organizations in the city have completed the organization of congresses and are beginning to implement the resolutions, combined with the implementation of resolutions, tied in with the implementation of the urgent immediate missions.

In general, in comparison to previous ones the present basic party organizations underwent clear changes. The most important point was that the self-criticism and criticism campaign within the party, and obtaining the constructive opinions of the people, caused many basic party organizations to grow deeper roots into social life, and caused relations between the party and the masses at the basic level to become closer. It is very correct for many places to regard to the present congresses are not only congresses of the masses. Many basic party chapters and organizations did not hold the congresses behind closed doors, but opened their doors to receive opinions contributed by the masses. Therefore, in many places the situation was examined and evaluated more realistically, accomplishments were more correctly evaluated, and they could realize the major deficiencies, the remaining problems and sluggishness, and the subjective reasons for the deficiencies. Because a step was taken with regard to the way of thinking and the way of viewing examining things, the direction, missions, goals, norms and measures set forth for future years are more realistic and there is confidence that they can be attained. Noteworthy is the fact that some basic party organizations have closely adhered to, and concentrated all efforts with regard to intelligence and organization on, the fulfillment of the mission's primary mission, and are not general, superficial, and formalistic, as in the past. Thanks to progress in daring to look directly at the truth and develop internal democracy by means of self-criticism and criticism, while at the same time positively correcting the deficiencies, many basic-level congresses brought about confidence on the part of the masses. A matter over which we can be very pleased is that by means of actual activities at the basic level, and by preparing and holding basic-level congresses, in many places the diseases of bureaucratism, commandism, and aloofness from the masses were gradually overcome. Therefore, the traditional close relations between the party and the masses were strengthened, and such matters of key importance as the production, living conditions, and mastership right of the people became the greatest concerns of many basic party organizations. A village cadre in

Cu Chi said, "During the resistance war, we had rice to eat, a bunker to sleep in, and water to drink because we relied on the people, were close to the people, and regarded the people as their parents. The same is true now: it is necessary to respect the people and rely on them, for only then can we hope for victory for socialism. If, after they control the governmental administration, the cadres and party members are commandistic, have special privileges, and are aloof from the people, they cannot succeed." That is correct: it is a vital matter and a lesson that should be remembered all one's life. Another change worthy of mention is that the average age of basic-level party members is lower than in the past, the number of party committee members over 30 years old, and the numbers of committee members who are workers and people engaged directly in production, local people, women, and people who are educated and have economic-social management knowledge. When one sees the many new party committee members at the basic level one can have confidence in their sense of responsibility, enthusiasm, and dynamism. those are the most notable features in the course of many basic-level party organization congresses during the current cycle. They are also new, positive factors which have opened up prospects for development at the basic level.

However, completing the congresses is only an important step, a new step forward of decisive significance. It is a step in continuing to apply the viewpoints of "making the people the root" and of "self-criticism and criticism are a law of development," as manifested in organizing implementation guidance and in actual activities, to transform resolutions into revolutionary acts on the part of the masses. We are facing many fierce difficulties, and it may said that the basic-level party organizations and masses are primary sources of support in overcoming those difficulties. The revolutionary activity movement of the party members and masses at the basic level achieves results depending on its quality. Difficulties can be transformed into advantages, and new values created after the congresses, only by new all-out efforts, persistence, willingness to undergo hardships, and a spirit of working diligently on the party of the masses, added to the extremely enthusiastic, dynamic, and responsible leadership and guidance of the new party committee members at the basic level. To do so, and bring about a true transformation, it is necessary to very attentively listen to the constructive opinions of the masses, and encourage, organize, concentrate, and mobilize the strength of the broad masses. We must apply the valuable lessons of a life-or-death nature which we have learned during the recent period regarding actual activity and daily life. We must oppose manifestations of of bureaucratism and aloofness from the masses, and bring into play the exemplary vanguard nature of party members, the key to open the door so that the resolution of the basic-level party congresses can enter into life. The basic-level party organizations which during the recent period did not truly do a good job of carrying out criticism and self-criticism, did not truly dare look at the truth, did not truly "make the people the root," and did not fully realize the great harm done by bureaucratism, must think about, examine, supplement, and resolve those key problems in all actual activities, from now on. Only thereby can they hope to transform the situation, escape from sluggishness, and make progress.

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CSO: 4209/134

BRIEFS

VAN LINH ADDRESSES HANOI MEETING--The Vietnamese National United Front, through different revolutionary stages, has always been one of the decisive factors for the victory of the Vietnamese people. Mr Nguyen Van Linh, a high-ranking Vietnamese official was speaking at a function in Hanoi to mark the 56th anniversary of the Front, 18 November. President of the Vietnam Fatherland Front Huynh Tan Phat reviewed the revolutionary traditions of the Front in the past 56 years and affirmed the Front's present role and tasks in national construction and defense. [Text] [Hanoi International Service in English 1000 GMT 18 Nov 86 BK] /12858

BOUNDARY ADJUSTMENT--On 22 November, the Council of Ministers issued Decision No. 145-HDBT on readjusting the administrative boundaries of Cao Loc District and Lang Son city of Lang Son Province. Separate Hop Thanh village from Lang Son city (with the exception of Lien Thanh cooperative) and merge it with Cao Loc District. Merge Lien Thanh cooperative with Dong Kinh village in Lang Son city. Lang Son city, which comprises five villages and four wards and covers an area of 7,885 hectares of natural land, is situated in Cao Loc District. Cao Loc District, which comprises 18 villages and 1 town and covers an area of 896,345 hectares of natural land, borders China to the east and north, Van Lang and Van Quan Districts to the west, and Chi Lang District to the south. [Text] [Hanoi NHAN DAN in Vietnamese 26 Nov 86 p 4 BK] /9738

CSO: 4209/159

NEW ENTERPRISE PLANNING REQUIREMENTS DETAILED

Hanoi TAP CHI KE HOACH HOA in Vietnamese Aug 86 pp 1-4

[Article: "The New Requirements in the Formulation of Plans at Basic Economic Units"]

[Text] Basic economic units are the foundation of the socio-economic organization, are the places that produce all material wealth, are the places that create surplus product and the sources of socialist capital formation. The plans of these units occupy the most important position within the system of national economic plans. Making good plans at basic units and formulating and balancing plans from the basic units upward are a policy in the revamping of planning, a policy aimed at eliminating the approach to planning based on bureaucratic centralism and state subsidies, closely tying the plan to economic accounting and socialist business practices and guaranteeing the autonomy of basic economic units in their production and business under the unified management of the state.

At each basic economic unit, particularly basic state-operated economic units (such as the federations of enterprises, corporations, independent enterprises and so forth, hereafter referred to as enterprises), formulating and balancing the factors of a positive and stable plan for the unit are the correct manifestation of autonomy in the field of planning. In the immediate future, the formulation of good plans for 1987 at enterprises represents a practical way to prepare for the party organization congresses on the various levels and the upcoming 6th Congress of the Party.

Although the policy on formulating plans from the basic units upwards has been in effect for several years, its implementation has not brought about uniform, appropriate or strong change. Deserving of attention is the fact that a number of shortcomings on the part of the upper echelons in guiding and directing the formulation of plans as well as in the process of formulating plans at many basic economic units within the various sectors are being rectified and improvements are being made slowly to suit new requirements. The state plan does not provide strong incentive for initiative and creativity in developing the potentials of the enterprise. On the other hand, the plan of the enterprise is not closely tied to economic accounting or socialist business practices and does not attach importance to productivity, quality and efficiency. There is not strict compliance with planning discipline or planning law...

One matter of importance in bringing about marked changes in the effort to revamp planning is that basic economic units take the initiative in developing each potential in order to meet their needs better on their own and formulate a plan for 1987 that results in an overall rate of economic growth of 10 percent over last year and a higher level of contributions to the state without asking the state for additional materials or capital.

The year 1987 will be a year of many advantages in our favor and new factors but the plan for 1987 faces us with more than a few acute difficulties. The formulation of plans at enterprises must be carried out against the background of unstable production conditions and an economy that is being restructured, in addition to which the new planning and management mechanism is still in the process of being formed. In this situation, revamping planning and improving the quality of plans at basic units are not easy. These are the basic and pressing requirements that the upper levels and basic units must gradually meet, that they must be determined to meet.

Depending upon the nature of the production and business operations of each type basic unit (industrial, agricultural, transportation, construction-assembly, home trade, supply and so forth), different specific requirements concerning the contents of the plan and appropriate methods are involved in the formulation of the plan. However, it is absolutely necessary that the following primary requirements be successfully met:

1. Insuring that the Contents of the Enterprise's Comprehensive Plan Are Coordinated

This plan demands that each operation of the enterprise be reflected in unified production-technical-financial-social plans based on the 5-year plan and the yearly plan. Regardless of which different aspects of these operations the structure of the plan is based (by supply source, by product encompassed or not encompassed by the task for which the enterprise was originally designed...), the norms of these plans must be integrated within a single plan of the enterprise. On the other hand, between production and financial norms and among the various factors of an integrated norm (such as the value of output, production costs and so forth), there is also a need for coordination from the standpoint of specific economic elements within a specific set of production guidelines. The lack of this coordination leads to many mistakes and contradictions in the various components of the plan and this plan is a plan in name only. It lack clear direction and targets and does not provide the correct basis for putting together the sector plan or the national plan. In practice, the plans formulated at many enterprises are not well coordinated. Technical and financial norms are not complete. Some products produced outside the task assigned by the state under legal norms and the norms on the wages, production costs and profits of this component of production are not integrated within the unified plan.

The need for the contents of the plan of an enterprise to be unified and comprehensive requires that many specific problems be resolved in the process of formulating plans.

--To begin with, targets and norms must encompass each operation that occurs within the enterprise during the year. All production and business operations in which the enterprise makes decisions or operations which were not specifically defined at the outset must be integrated in the supplemental plan at the time of implementation.

--Improving the quality of the work of balancing the plan at each enterprise is the matter of greatest importance. The plan must be formulated on the basis of guidelines for establishing the necessary balances and on the basis of researching and correctly establishing economic and social relations within the production and business operations of the enterprise in accordance with the economic requirements and specifics set forth in the provisional regulations appended by the Council of Ministers to Decision 76-HDBT. Here, more importance must be attached to establishing balance and coordination between the norms of the task and the norms concerning the measures to be taken. The production plan, the technical research and development plan, the plan for investments in the expansion of production and the financial plan must be balanced and formulated at the same time.

--The plan that the enterprise reports to the upper level is a comprehensive system of directed norms and includes computed norms. In the work of organizing production and business at the enterprise, all these norms occupy a position of certain importance. If computed norms and directed norms are not formulated or implemented in a positive and stable manner, legally binding norms, even though the state is only assigning three basic norms to the enterprise, cannot be practical in content. Here, the enterprise must not only establish norms on the quantity of material resources as it has done in previous years, but must also attach very much importance to qualitative norms (on productivity, production costs, returns from capital, profits...) and thereby closely tie its plan for material resources to its value plan.

--The incorporation of plan targets and norms on social activities within the unified plan of the enterprise is something entirely new to many enterprises. Norms on the development of welfare services, on increasing real income on the basis of raising labor productivity, expanding the subsidiary household economy and opening service organizations to support the daily needs of the worker, on making financial contributions to the locality for the construction of collective welfare projects (housing, hospitals and so forth)...must be incorporated in the plan and must gradually be formulated as a more complete component plan on social development.

2. Upholding the Principles of Economic Accounting and Socialist Business in the Plan of the Enterprise

In its plan, the enterprise is given by the state the right to use means of production of society to carry out production and carry out business in accordance with the plan for the sake of the interests of the entire country, the collective and the individual laborer. It is a plan that reflects initiative and creativity in the enterprise providing for its own needs and contributing more and more to the entire country, a plan that emphasizes accountability on the part of the enterprise for profits and losses in production and business.

That the plan is closely tied to economic accounting and socialist business practices must first be expressed in the enterprise displaying autonomy in balancing its plan. Within each enterprise today, there are four factors of economic growth that can be tapped, namely, accelerating the scientific-technological revolution, revamping the economic management mechanism, implementing the national policy on frugality and launching revolutionary movements of the masses in order to make more rational use of the supply capabilities of the state while more fully mobilizing existing potentials: the potential for the enterprise to improve its own production and business organization; the expansion of economic cooperation and economic ties in production; and the potential for exporting more goods than planned in order to acquire additional imported materials. To basic production units, the correct, planned development and utilization of these potentials are a necessity and are of very decisive significance in developing production and achieving many socio-economic returns.

--In the establishment of targets and norms and the measures for implementing the plan, it is first of all necessary for the enterprise to be totally accountable to itself for profits and losses, that it cover its costs on its own through income from its production and business activities.

Of basic importance with regard to the contents of the plan is the need to establish the correct relationship between the interests of the state and the interests of the collective and individual laborer. The interests of society, which are represented by the state, must be guaranteed from both an economic and a political standpoint. To thoroughly implement the principles of economic accounting and socialist business, the plan of the enterprise must insure that sources of products and goods and financial resources be centralized for the state; strengthen the dominant role played by the state-operated economy in complying with plan discipline and contract discipline in relations with various economic organizations; fulfill the obligations and responsibilities of the enterprise to the state; and implement equality from the standpoint of economic law and plan settlement of account procedures between enterprises and the agencies and economic organizations of the state in the very contents of the plans of the enterprise.

--The contents of the enterprise's plans must be consistent with the policies and procedures contained within the new mechanism. The enterprise must declare each of its potentials and take the initiative in expanding its production, increasing its sources of acquired capital, investing in intensive development and increasing its realized profits. At the same time, it must correctly implement the current policies concerning the norms of the production cost plan, finances, prices, gross profits... Only when these norms are correctly established is it possible to create the conditions for the enterprise to fully implement economic accounting.

--In the formulation and implementation of the plan and together with applying the characteristic laws of socialism, importance must be attached to making correct use of the law of value and the relationships between goods and money, to expanding the various forms of organization that closely tie production to circulation, to expanding the use of economic contracts and to applying incentive policies and material accountability in the operations of the enterprise. These must be considered levers that must be planned, that must become measures contained within the plan.

3. The Plan of the Enterprise Must Be Scientific and Revolutionary

Planning at the enterprise is not administrative work, is not a matter of merely computing figures, but is the process of applying economic laws and concretizing the party's line in the form of a production and business program that yields increasingly high socio-economic returns.

--The primary requirement in concretizing the line of the party within the plan is to arrange plan balances along lines that stimulate the formation of the production structure that is most rational and profitable. Within each enterprise, this is a matter of formulating and implementing production programs, establishing a rational product line, retooling, restructuring the production line and so forth in accordance with the economic development guidelines of the party during each period. Plan norms must be formulated on the basis of selecting from many different economic-technical options. They must reflect the most efficient deployment and utilization of labor, land, trades and other resources and the good use of each existing material-technical base and production capability for the purpose of producing much wealth for society. Plan norms must be positive and stable, must be based on advanced science and must include support measures. The arrangement of the above mentioned factors for each norm and each component plan can be based on many different options. Therefore, in the formulation of plans at enterprises, it is necessary to include all those factors that must be calculated and also select ways to arrange the plan that are most profitable.

--With regard to the bases upon which the plan is formulated, the enterprise must rely upon the directed plan figures received from the upper level together with notifications concerning material and service supply capabilities, product marketing capabilities, designated economic organizations, product orders and economic contracts. Here, organizing an investigation of the market, surveying needs and knowing where supplies will be obtained to meet the needs of the enterprise's plan are exceedingly important. Taking the initiative in expanding stable relations with economic organizations through economic contracts is the primary prerequisite to formulating a reliable plan.

The system of economic-technical quotas and standards, the economic management policies and procedures of the state and economic-technical information from domestic and world sources related to the production and business of the enterprise are also necessary bases in the establishment of correct plan norms. Here, the enterprise must set good quotas and regularly refine its system of economic-technical quotas. Backward standards and quotas not only reduce the positive nature of the plan, but also cause consequences in the implementation of this plan.

--The potential for applying measures designed to increase the planned rate of growth at enterprises is still very large. Deserving of attention is that the measures involved in scientifically organizing the production process and labor forces, especially organizing technology and applying scientific achievements and advanced technologies in all fields of production and business, are factors that play a direct role in raising labor productivity, improving product quality, reducing the consumption of materials, making rational and economical use of capital... Without incorporating these factors in the plan, the plan that is established is unrealistic and its contents lack strong vitality.

More than a few enterprises have simplified the formulation of plans and do not attach importance to building and perfecting the bases upon which the plan is formulated. Moreover, mistaken views and thinking, such as conservatism, inertia, bureaucracy, liberalism and so forth, are being corrected slowly and have reduced the quality of the enterprise's plan. This demands that the enterprise must revise its thinking and views and change its approach to planning in keeping with the spirit of the resolutions of the Party Central Committee and Political Bureau and must truly exercise autonomy in the field of planning.

4. Heightening the Legal Nature of the Plan and Fully Upholding the Right of the Collective of Workers To Participate in the Formulation of the Plan

The plan, most importantly, the legally binding norms officially assigned to the enterprise by the state, must be considered a law which the enterprise has the obligation to obey.

Strengthening the legal nature of the plan and the effectiveness of the centralized, unified management provided by the central state is closely tied to upholding the right of the collective of workers at each enterprise to be the masters of the plan. The collective of workers, which includes the management apparatus, most importantly the enterprise director, is responsible for the results of the plan's implementation and for complying with state law. The collective of manual workers and civil servants is the decisive force in the formulation of the plan, particularly in insuring that the plan becomes reality.

The obligations that the enterprise has with regard to complying with plan discipline lie in two areas:

First, it must complete the plan norms officially assigned to the enterprise by the authorized level. Among these, the norms of the production and business plan concerning the basic task of each enterprise, the norms on the volume of products delivered or sold to designated organizations and the norms on the financial revenues remitted for inclusion in the budget are the norms that express the obligation of the enterprise to society, the representative of which is the state. The enterprise must not only comply with plan discipline and the discipline involved in the economic relations between the enterprise and the state, but must also respect the discipline established in the economic relations between the enterprise and other related economic organizations, between the director, the representative of the state, and the manual workers and civil servants of the enterprise.

Secondly, the enterprise must fully comply with current planning and economic management policies. These consist of three groups of specific policies:

--The policies that define general economic matters in the fields of production and business (such as the policy on wages and the formation of the wage fund, the production cost accounting policy, the product marketing policy...). Compliance with these policies must begin as soon as the contents of the various component plans of the enterprise are being established.

--The policy that defines the responsibilities of the enterprise in drafting its plan, reporting and defending its plan, apportioning its yearly plan by month and quarter, reporting on the implementation of its plan...

--The policies that define the responsibilities of the enterprise in economic trade and cooperation with other production units and with economic organizations (such as the policy on economic contracts with the bank, supply organizations, transportation organizations and so forth) and define the authority and responsibility of the enterprise in its relations with the system of functional agencies, such as price setting authority, the authority to hire labor, the authority to sign economic contracts and so forth).

The implementation of the above mentioned policies, policies that are in the nature of economic-administrative law, is a necessary requirement of each unit and economic organization, a requirement designed not only to strengthen the centralized, unified management provided by the state, but also to insure that basic economic units can truly exercise autonomy in their production and business.

In the field of planning, the provisional regulations of the Council of Ministers state: "The collective of manual workers and civil servants must participate in formulating the plan of the enterprise. The enterprise trade union must coordinate with the director in arranging for manual workers and civil servants to participate in formulating and discussing measures for implementing the plan. Representatives of the basic unit's trade union have the right to participate in defending the plan and in evaluating and approving the completion of the plan of the enterprise." These are practices that were established long ago. What we need to do now is change our thinking and revamp our methods and specific organizational measures in order to create the conditions needed for each laborer to fully exercise this right.

The primary requirements set forth above are closely interrelated and exert an impact together upon the quality of the enterprise's plan. Meeting these requirements requires that planning be revamped in a well coordinated manner on all levels and at basic economic units. Bringing about this change will entail a process involving many difficulties. In the immediate future, appropriate measures based on the nature of the operations of each enterprise in the various sectors must be taken to gradually raise the level at which these requirements are met in the formulation of the plan for 1987.

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CSO: 4209/152

VNA CARRIES NATIONAL INDUSTRIAL NEWS BRIEFS

OW201103 Hanoi VNA in English 0746 GMT 20 Nov 86

[Text] Hanoi, 20 November (VNA)--By the end of October 1986, the feather processing enterprise in Haiphong Port City had produced 310 tons of feathers for export, up by 85 percent compared with last year.

The city's engineering factory has fulfilled its yearly plan for the production of three main products: The CED 13c shaping machines, the 2k6 pumps, and the 33kw rubber rolling machines.

The factory also has turned out two new products: Steel sheet-cutting machines and towel-weaving looms.

By the end of October, the joint Vietnam-USSR oil venture (Vietsovpetro) has put the fourth well into commission at the stationary oil rig no 1 on southern Vietnam's continental shelf.

- Last month, the Bim Son Cement Works in the central province of Thanh Hoa produced 54,000 tons of cement, setting a monthly record since early this year.

- By mid-October, the textile mill in the central province of Quang Nam-Da Nang had produced 2.9 million metres of fabric, 66.6 percent over its yearly plan. Its new products accounted for 30 percent of the gross product value of the mill.

- In the first [word indistinct] months of this year the refrigerating factory in the central province of Binh Tri Thien produced 300 tons of frozen shrimps and cuttle-fish, 34.7 percent over its yearly plan.

- The refrigerating factory in the southern province of Minh Hai has turned out two new products: Frozen golden [word indistinct] and eels. So far this year, the factory has exported 43 tons of these new aquatic products.

The southwestern province of Kien Giang has put into commission the Ho Chong Harbor which can berth at a time 20 ships of 100-200 tons capacity.

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CSO: 4200/147

BRIEFS

NOMAD SETTLEMENT PROGRESS--So far, about 1 million former nomads in Vietnam have settled down for sedentary farming. They are people of ethnic groups whose life was extremely poor under the old regime. The new settlers have reclaimed over 125,000 hectares of lands and grown over 50,000 hectares of forests and industrial crops. The life of these people has been constantly improving with the availability of power stations, health care, and other welfare projects. [Text] [Hanoi International Service in English 1000 GMT 14 Nov 86 BK] /12858

CSO: 4200/147

NORTHERN PROVINCES SHIP GRAIN TO STATE GRANARY

BK031207 Hanoi Domestic Service in Vietnamese 1430 GMT 2 Dec 86

[Text] According to the Ministry of Food, as of 25 November, the northern provinces had delivered to the state granary more than 180,000 metric tons of grain, fulfilling 36.5 percent of the plan and exceeding the amount turned in during the corresponding period last year by more than 20,000 metric tons.

Four districts--Tho Xuan and Nong Cong of Thanh Hoa Province and Chuong My and Thanh Oai of Ha Son Binh Province--made many efforts to organize quick and efficient deliveries. By 20 November, they had fulfilled the 10th-month grain procurement plan. They are striving to buy more grain to overfulfill the total assigned quotas. As of 25 November, Thanh Hoa Province had delivered to the state granary more than 60,000 metric tons, fulfilling 87 percent of the plan, leading all other northern provinces in the quantity and percentage of grain procured. Meanwhile, Nghe Tinh Province has fulfilled 50 percent of the grain delivery plan; Ha Son Binh, 70 percent; Hanoi, 72 percent; Hai Hung, 53 percent; Ha Nam Ninh, 30 percent; Thai Binh, 48 percent; and Vinh Phu, 44 percent. For their part, Ha Tuyen, Ha Bac, Haiphong, and Binh Tri Thien Provinces have delivered to the state from 1,000 to more than 10,000 metric tons of paddy.

The Ministry of Food reminds all localities that the fairly good 10th-month harvest and recent favorable weather have created proper conditions for organizing grain deliveries. On the basis of the procurement norms already announced by the ministry, all localities should carefully calculate their basic revenue, their taxes, their debts, their obligations under two-way contracts, and their payments for services when assigning norms to grass-roots units. They should pay utmost attention to those areas where there still are large amounts of 5th-month paddy in order to encourage cooperatives and peasants to pay their debts and fulfill their obligations under two-way contracts to the state. They should make an effort to basically fulfill their grain procurement task in December while devising concrete plans to harvest, process, and collect subsidiary food crops, especially cassava, so as to fulfill all the norms for the entire production season at an early date.

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CSO: 4209/159

AGRICULTURE

RADIO REVIEWS AGRICULTURAL PRODUCTION ACTIVITIES

BK011601 Hanoi Domestic Service in Vietnamese 1100 GMT 1 Dec 86

[Text] Dear friends, following are noteworthy points in agricultural production during the past 10 days:

To date, the entire country has harvested 1.4 million hectares of 10th-month rice, representing 46 percent of the cultivated area and producing an increase of 5 percent over the same period last year.

Thanks to favorable weather conditions, as of 20 November, the north had basically finished harvesting 10th-month rice with some provinces failing to attain the yield of this rice as planned. In the south, except for the 47,000 hectares that have been affected by insects and blight, this rice is developing satisfactorily in the remaining area.

The southern provinces have also harvested 215,000 hectares of 10th-month rice, representing 12.7 percent of the cultivated area. Minh Hai has harvested more than 30,000 hectares--the largest area that has been harvested so far in the south--with a yield of 4 metric tons per hectare. Due to heavy rains in some localities, Long An has suffered a loss of nearly 2,000 hectares.

To date, the entire country has planted 203,000 hectares of winter-spring vegetables and subsidiary crops, with the north claiming credit for 177,000 hectares. Of this total figure, corn accounts for 40,000 hectares, an increase of 33 percent over the same period last year; sweet potatoes 125,000 hectares, an increase of 16 percent; potatoes 35,000 hectares, an increase of 45 percent; soybeans nearly 4,000 hectares, an increase of 2.3 times; and various kinds of vegetables and beans 5,080 hectares, an increase of 11 percent.

Since the beginning of the winter-spring crop season, the entire country has plowed 781,000 hectares of land, an increase of 20 percent over the same period last year, with the north accounting for 354,000 hectares--one-third of the harvested area and an increase of 52 percent over the same period last year. This, however, is still slow compared with the pace of harvest.

Meanwhile, the south has plowed 427,000 hectares, an increase of 2 percent over the same period last year, and has planted winter-spring rice on only one-fourth of the planned area. Some provinces which have taken the lead in soil preparation--such as Long An, Tien Giang, Kien Giang, and An Giang--have completed this work on 60 to 70 percent of the planned area.

The northern provinces have sown rice seedlings on 58,000 hectares, an increase of 35 percent over the same period last year. These rice seedlings are developing satisfactorily and have promptly been saved from being ravaged by insects and blight on a number of areas.

To date, the Ministry of Agriculture has supplied all localities throughout the country with 402,000 metric tons of chemical fertilizer, fulfilling 42 percent of the requirement. The provinces in the mountainous or highland regions in particular have been supplied with larger quantities, fulfilling 55 percent of the requirement or more.

The Ministry of Agriculture urges all localities to pay attention to satisfactorily carrying out the following tasks in the days ahead:

Satisfactorily care for winter vegetables and subsidiary crops and vigorously switch importance to the winter-spring crop production with special attention being given to work related to rice seedlings. Localities which have already sown rice seedlings for the main spring rice crop should adopt effective measures to care for these seedlings if the weather continues to be sunny.

Promptly carry out soil preparation, quickly increase the number of azolla cuttings, ensure sufficient feed for domestic animals, and care for draft buffaloes and cattle.

The southern provinces should harvest 10th-month rice rapidly while increasing the pace of the winter-spring crop cultivation.

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CSO: 4209/159

BRIEFS

AUTUMN RICE HARVEST--Vietnamese peasants throughout the country have harvested half a million hectares of autumn rice, 1/5 of the total rice acreage. The harvesting in northern Vietnam faces difficulties due to a long rainy spell in late October. Some 24,000 hectares of ripening autumn rice in the central provinces of Thanh Hoa and Nghe Tinh were affected by rains. Alongside with harvesting autumn rice, peasants have put some 200,000 hectares under subsidiary crops. [Text] [Hanoi International Service in English 1000 GMT 15 Nov 86 BK] /12858

CSO: 4200/147

PRODUCTION FORECASTS FOR JOINT OIL, GAS ENTERPRISE WITH USSR

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 2 Nov 86 p 1, 4

[Article by T.B.T.: "This Year, the Joint Vietnamese-Soviet Oil and Gas Enterprise Will Extract Hundreds of Thousands of Tons of Crude Oil. Forecasts are: 1987, a Sevenfold Increase in Volume of Production; 1990, a Sixtyfold Increase"]

[Text] On the eighth anniversary of the signing of the Vietnamese-Soviet Treaty of Cooperation and Friendship on 3 November 1978, Nguyen Ngoc Cu, the first deputy general director of the Joint Vietnamese-Soviet Oil and Gas Enterprise, granted an interview to a NHAN DAN reporter. He mentioned a number of the achievements scored by the enterprise during the past period and the outlook for extracting oil and gas along the continental shelf in southern Vietnam.

He said that in 1986, the Joint Vietnamese-Soviet Oil and Gas Enterprise will extract hundreds of thousands of tons of crude oil. Thus, after only 2 years of operations at sea, the joint enterprise has succeeded in pumping oil.

At the beginning of 1984, the enterprise began exploratory drilling operations at sea. On 26 May 1984, the first exploratory well sunk by the Muchin found oil. After that, oil was found at a rather high percentage of the other exploratory wells. On 26 June 1986, the joint enterprise began carrying on industrial drilling on a test basis at the Bach Ho field.

Today, two drilling platforms are in operation off the coast of Vung Tau, with each platform capable of drilling up to 16 wells. On the average, another drilling platform goes into operation every 6 months. Construction on the fifth drilling platform has been completed. The joint enterprise is building a system of oil pipelines to the shore and making plans to build a refinery and petrochemical plant.

In 1987, the joint enterprise will pump seven times as much oil as in 1986. And by 1990 the volume of production is expected to increase more than sixtyfold.

The all-round cooperation and enthusiastic help of the Soviet specialists is an important guarantee of success in finding and extracting the oil and gas in southern Vietnam. The Soviet Union has supplied most of the equipment and technical materials. Along with this, the Soviet specialists have gladly provided guidance, gone along on operations, and taught their Vietnamese colleagues what they know about each of the tasks. At the enterprise, the Vietnamese cadres and workers have undertaken the task of assembling drilling platforms and of carrying out the tasks on the platforms.

Also on this occasion, Aleksandro Mikhaylovich Phuntop, the head of the Ocean Drilling Department of the Joint Vietnamese-Soviet Oil and Gas Enterprise, observed that his Vietnamese colleagues are capable people with a good reputation. At drilling platform No 3, the enterprise is organizing things to have Vietnamese cadres and workers gradually replace the Soviet cadres and specialists in all the positions. He said that the Bach Ho oil field has great potential.

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CSO: 4209/156

ELECTRICITY PRODUCTION, NATIONAL ENERGY REQUIREMENTS

Hanoi INFORMATION-DOCUMENTS in English 16 Oct 86 pp 3-5

[Text] In the 1981-85 Five-Year Plan, the electrical power department fulfilled all its yearly targets and in 1985 produced 3,5 billion (thousand million) kilowatt-hours, an average of 84 kw/h per head of population (64 kw/h in 1980.

In those five years, it supplied a total of 21 billion kw/h (2 billion kw/h for agriculture). Thanks to electrification of water conservation work, in many northern delta provinces such as Hai Phong, Hai Hung, Thai Binh and Ha Nam Ninh, the spring rice campaign has become the main one of the year. In periods of rain and flooding, the drainage of submerged areas required at peak periods as much as 2 million kw/h per day.

However, in this field supply is still a long way from meeting demand. According to preliminary calculations, the deficit may be as great as 1.5-1.7 billion kw/h. This is because in the 1976-80 Five-Year Plan, investment for electricity generating was too low in regard to the development of other branches of the national economy, such as light industry, water conservation, construction. The consequences may take at least ten years to overcome.

With Soviet assistance, the second stage of a general programme of development of the power network has been worked out for the period from 1986 to 1990, with extension to 1995. This has made possible an effective use of Soviet-supplied equipment and paved the way for both immediate and long-term progress. By the end of 1985, studies began of the third stage of development, for the period from 1991 to 1995 and in preparation for the period from the year 2000 to 2005.

Besides the central power network, development programmes have also been worked out for provinces and cities, such as Hanoi, Hai Phong, Thanh Hoa, Ha Son Binh, Binh Tri Thien, Phu Khanh, Ben Tre, Tien Giang, Dong Thap, Minh Hai, Song Be and the northern border provinces.

In the field of capital construction, the directive issued by the Fifth Party Congress to combine hydropower with thermopower generation has been acted upon. The building of hydropower projects has been stepped up, including the Hoa Binh project (1,920 megawatts): early this year, the second stage of the blocking of the Da River was completed and the first turbine generator is expected to be commissioned in late 1987. At the Pha Lai thermopower station, three turbine generators have been commissioned totalling 330 megawatts. Three power grids have taken shape: the northern one extending from Lang Son to Vinh; the central one from Binh Tri Thien to Quang Nam - Da Nang; and the southern one from Phu Khanh to Ho Chi Minh City and a number of provinces in the Mekong Delta. At the Tri An hydropower project (400 megawatts) the first turbine generator is expected to be commissioned in 1987-88. The aggregate capacity of the three above-mentioned projects is equal to 30 times the total electricity-generating capacity of the country in 1955.

In the localities, with assistance from the Ministry of Electrical Power, small hydropower projects have been built. Though still small in number they testify to great progress compared with previous Five-Year Plans. Nearly 100 stations have been repaired and restored and about 100 newly built. The total capacity of small hydropower stations has reached 25 megawatts, twice as much as had been done in this field in the twenty years from 1960 to 1980.

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CSO: 4200/176

PROBLEMS OF ORGANIZING, OPERATING INDUSTRIAL PLANTS REVIEWED

Hanoi INFORMATION-DOCUMENTS in English 16 Oct 86 pp 17-20

[Text] The number of industrial enterprises in Vietnam has steadily increased and this over a wide spectrum. Since 1976, 854 plants have been added to their number, which now totals 2,875. These enterprises work in a great variety of fields: energy and fuels, ferrous metallurgy, non-ferrous metallurgy, engineering, chemicals, building materials, ceramics, glassware, timber exploitation and processing, food processing, textiles leather, garment making, dyeing, printing, production of cultural articles, pulp and paper....

Total funds devoted to the construction of plants over the past decade approach 5,300 million dong; increasing the value of fixed assets and productive capacity by nearly 110%. In particular a number of important projects have been commissioned: the Bim Son and Hoang Thach cement works, the Song Cong diesel-engine factory, the Pha Rung ship-repair yard, the Vinh Phu pulp and paper mill, the La Nga sugar refinery....

Our country boasts an important body of technicians and skilled workers. By 1984, the number of personnel working in industrial plants throughout the country totalled nearly 697,000, an increase of 235,000 compared with 1975. They included ten thousand and more candidate-doctors of science, engineers, and highly skilled workers.

Thus we have great possibilities in this field. Over the past years, the Party and the State have made great efforts in providing investments and exploiting all latent potentials. The IVth and Vth Party Congresses charted lined and worked out policies with a view to making the most of our possibilities.

For their part the plants have striven to achieve ever better results in production. In a number of them, reorganization of production has led to increased capacity, output, and range of products. In 1985, compared with 1980, we noted an increase of 1.6 thousand million kilowatt-hours of electricity, 145,000 tons of phosphatic fertilizer, 800,000 tons of cement, 275,000 tons of sugar, 31,000 tons of paper, nearly 200 million metres of fabric, etc.

Thanks to this, the value of industrial output in constant prices increased twofold in 1984 compared with 1975. Besides, enterprises in such branches as textiles, garment-making, chemicals, and engineering have renovated their management and rationalized investment and exploitation, thereby increasing their capacity by 75-85%. Chains of production have been perfected and productivity per worker raised. Thus, in many enterprises, worker productivity has been raised by one half and output value per worker has reached 12,000 dong per year.

The above results are due to changes for the better in investment and exploitation. However, they do not as yet match our possibilities in equipment and manpower and do not satisfy the requirements of our society. Many short comings remain:

First, organization of production is not well-coordinated. Plants with similar characteristics are scattered in many places and branches and are not subject to unified management. In many branches, undue emphasis has been put on building new plants and purchasing new equipment and machinery. This is not matched by their possibilities in competent manpower and regular supply of raw materials, so much so that when commissioned, the plants function only at half capacity and even less. Meanwhile, hundreds of existing plants with unused capacity receive no funds for repair and no complementary machinery, equipment, materials and manpower. The majority of plants now run at 50-60% capacity. There have been delays in the renovation of management and organization. The workers receive no incentives to increase their productivity. Some plants have so utterly failed in reorganizing production that workers have stayed idle for long days.

Except for some key enterprises, supply of materials to most plants has been carried out on a day-by-day, hand-to-mouth basis. The shortage of materials is compounded by their dispersal.

For those reasons, industrial production over the past years has failed to satisfy the requirements of economic development, consumption and export. Output has declined or has increased but slowly in such branches as coal, electrical transformers, ploughs of various kinds, chemical fertilizers, dry batteries, bricks, soap, mosquito netting....

The tasks set by the Party and the State for 1986-90 include the restructuring of production and investment, with emphasis to be laid on the production of consumer goods and export goods and the support to be given agricultural production.

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CSO: 4200/176

BRIEFS

SAIGON PORT TOPS PLAN--Hanoi, 18 November (VNA)--The Saigon Port in Ho Chi Minh City this year handled more than 19 million tons of goods, topping its yearly plan 49 days ahead of schedule. This is the record volume for a year since the city's liberation (April 1975). The cargo mostly includes fertilizers, machines, equipment, farm produce and timber. [Text] [Hanoi VNA in English 1451 GMT 18 Nov 86 OW] /12858

CSO: 4200/147

INFORMATION ON VIETNAMESE PERSONALITIES

[The following information on Vietnamese personalities has been extracted from Vietnamese-language sources published in Hanoi, unless otherwise indicated. Asterisked job title indicates that this is the first known press reference to this individual functioning in this capacity.]

Nguyễn Công Ái [NGUYEENX COONG AIS]

*Vice Chairman of the People's Committee, Ho Chi Minh City. On 7 Oct 86 he attended an economic conference in Ho Chi Minh City. (Ho Chi Minh City SAIGON GIAI PHONG 9 Oct 86 p 1)

Y Ngông Niết Đăm [Y NGOONG NIEETS DAWM]

Member of the CPV Central Committee; Secretary of the Dac Lac Provincial Committee; Representative of the People's Committee of the Fatherland Front Committee; recently he attended a meeting marking the National Day of the GDR in his province. (QUAN DOI NHAN DAN 7 Oct 86 p 4)

Nguyễn Minh Châu [NGUYEENX MINH CHAAU], Colonel General

Member of the CPV Central Committee; Commander of the 7th Military Region; on 22 Oct 86 he attended the Ho Chi Minh City Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 23 Oct 86 p 2)

Nguyễn Đăng [NGUYEENX DAWNG]

Vice Minister of Agriculture; his article about food production appeared in the cited sources. (TIEN PHONG 14-20 Oct 86 p 1)

Nguyễn Văn Hạnh [NGUYEENX VAWN HANHJ]

Vice Minister of Education; recently he visited Nguyen Trai school in Thuan Hai. (Hanoi GIAO VIEN NHAN DAN 21 Sep 86 p 5)

Trần Kinh Hiền [TRAANF KINH HIEENF], *Colonel

Member of the Military History Institute, Ministry of National Defense; his name was mentioned in a column in the cited source. (QUAN DOI NHAN DAN 21 Oct 86 p 2)

Trần Quốc Hương [TRAANF QUOOCS HUWOWNG]

Member of the CPV Central Committee; Head of the Tourism General Department; on 22 Oct 86 he attended the Ho Chi Minh City Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 23 Oct 86 p 2)

Phan Văn Khải [PHAN VAWN KHAIR]

Member of the CPV Central Committee; Deputy Secretary of the Municipal CPV Committee, Ho Chi Minh City; on 22 Oct 86 he attended the Ho Chi Minh City Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 23 Oct 86 p 2)

Trần Mân [TRAANF MAAN]

Member of the Standing Committee of the Ho Chi Minh City CPV Committee; Commander of the Ho Chi Minh City Military Forces; on 22 Oct 86 he attended the Ho Chi Minh City Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 23 Oct 86 p 2)

Nguyễn Nam Khánh [NGUYEENX NAM KHANHS], Lieutenant General

Member of the CPV Central Committee; Deputy Chief of the PAVN Political General Department; recently he welcomed a Soviet delegation visiting Vietnam. (NHAN DAN 9 Oct 86 p 4)

Lê Hồng Khê [LEE HOONGF KHEE], Colonel

Member of the 3rd Military Region; his opinion on the Army in economic construction appeared in the cited source. (QUAN DOI NHAN DAN 13 Oct 86 p 3)

Đinh Sĩ Khiêm [DINH SIX KHIEEM], Colonel, deceased

Born in 1928 at Duc Thanh Village, Duc Tho District, Nghe Tinh Province; member of the CPV; member of the Advanced Military Academy; he died following an illness on 14 Oct 86 at the 108th Military Hospital. (QUAN DOI NHAN DAN 16 Oct 86 p 4)

Lê Linh [LEE LINH], Lieutenant General

His article "Building Fight Spirit of the Fighting Man" appeared in the cited source. (QUAN DOI NHAN DAN 22 Oct 86 p 3)

Vũ Bạch Mai [VUX BACHJ MAI]

*SRV Ambassador to Egypt; recently President Mubarak of Egypt gave a reception in his honor. (Hanoi International Service in English 21 Nov 86)

Trần Văn Quang [TRAANF VAWN QUANG], Colonel General

Vice Minister of National Defense; on 6 Oct 86 he attended a reception held by the CSSR Military Attache in Hanoi. (NHAN DAN 8 Oct 86 p 4)

Võ Viết Thanh [VOX VIEETS THANH]

Member of the Municipal CPV Committee, Ho Chi Minh City; *Deputy Director of the Security Forces, Ho Chi Minh City; on 22 Oct 86 he attended the Ho Chi Minh City Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 23 Oct 86 p 2)

Nguyễn Thị Thanh [NGUYEENX THIJ THANH]

Member of the Standing Committee of the Ho Chi Minh City CPV Committee; Head of the Civil Proselytizing Department of the Ho Chi Minh City CPV Committee; on 22 Oct 86 she attended the Ho Chi Minh City Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 23 Oct 86 p 2)

Nguyễn Thiện [NGUYEENX THIEEN], Colonel, deceased

Born in 1929 at Binh Hoa Village, Binh Khe District, Nghia Binh Province; member of the CPV; Deputy Political Director of the Army Officer Finance School; he died on 16 Oct 86 following an illness at the 108th Military Hospital. (QUAN DOI NHAN DAN 18 Oct 86 p 4)

Lê Văn Thu [LEE VAWN THUW], *Colonel

His name was mentioned in an article in the cited source. (QUAN DOI NHAN DAN 13 Oct 86 p 3)

Phan Thu [PHAN THU], *Major General

Member of the Military Technology Institute; his article on the changes in economic management appeared in the cited source. (QUAN DOI NHAN DAN 8 Oct 86 p 3)

Nguyễn Thuyết [NGUYEENX THUYEETS]

Chairman of the International Department of the Vietnam Confederation of Trade Unions; his article about the Congress of International Trade Unions in Berlin appeared in the cited source. (LAO DONG 19 Sep 86 p 6)

Lê Văn Tích [LEE VAWN TICHS], *Colonel

A Military Specialist presently stationed in either Laos or Cambodia; his name was mentioned in an article in the cited source. (QUAN DOI NHAN DAN 13 Oct 86 p 2)

Võ Văn Trác [VOX VAWN TRACS]

Vice Minister of Marine Products; on 8 Oct 86 he signed a project for the production of aquatic products in Nghia Binh. (NHAN DAN 9 Oct 86 p 4)

Nguyễn Ngọc Trân [NGUYEENX NGOCJ TRAAN]

Vice Chairman of the State Science and Technology Commission; on 7 Oct 86 he attended an economic conference in Ho Chi Minh City. (Ho Chi Minh City SAIGON GIAI PHONG 9 Oct 86 p 1)

Lê Văn Triết [LEE VAWN TRIEETS]

Alternate Member of the CPV Central Committee; Member of the Standing Committee of the Ho Chi Minh City CPV Committee; on 22 Oct 86 he attended the Ho Chi Minh City Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 23 Oct 86 p 2)

Nguyễn Ký Ức [NGUYEENX KYS UWCS]

Secretary of the CPV Committee, Cuu Long Province; from 6 to 8 Oct 86 he attended the Cuu Long provincial Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 14 Oct 86 p 1)

Nguyễn Thị Yến [NGUYEENX THIJ YEENS]

Alternate Member of the CPV Central Committee; Vice Minister of the Ministry of Food Industry; on 22 Oct 86 she attended the Ho Chi Minh City Party Congress. (Ho Chi Minh City SAIGON GIAI PHONG 23 Oct 86 p 2)

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